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*33rd*

*Annual Business Conference*

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**NATIONAL RETAIL CREDIT ASSOCIATION**

**ST. LOUIS, MISSOURI**

**JUNE 16-19**

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*The*

**CREDIT  
WORLD**

*April, 1947*

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to

**St. Louis**



E. E. Paddon  
General Conference Chairman

To the  
**33rd Annual Business Conference**  
of the  
**NATIONAL RETAIL CREDIT ASSOCIATION**  
**ASSOCIATED CREDIT BUREAUS OF AMERICA**  
**CREDIT WOMEN'S BREAKFAST CLUBS OF NORTH AMERICA**  
**June 16, 17, 18 and 19, 1947**

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Registration fee: Delegates \$12.50, Guests \$5.00. Use the blank on page 17.

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**ASSOCIATED RETAIL CREDIT MEN AND CREDIT BUREAU OF ST. LOUIS**  
520 Chamber of Commerce Building  
St. Louis 1, Missouri

# The CREDIT WORLD

OFFICIAL PUBLICATION OF THE NATIONAL RETAIL CREDIT ASSOCIATION

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ARTHUR H. HERT, *Associate Editor*

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## Official Notice

To All Members of the National  
Retail Credit Association:

You are hereby notified that the Thirty-third Annual Business Conference of the National Retail Credit Association will be held in the City of St. Louis, Missouri, June 16-17-18 and 19, 1947, for the election of officers and four directors at large, and the ratification of directors elected by the respective districts, also the installation of officers and directors and the transaction of such business as may properly come before the meeting.

### Officers Whose Terms Expire:

President, H. L. Bunker, Oakland, California; First Vice-President, J. A. H. Dodd, Portland, Oregon; Second Vice-President, H. L. Reagan, Nashville, Tennessee; and Third Vice-President, T. W. Walters, Cleveland, Ohio.

### Directors' Terms Expiring in 1947:

The terms of the directors for Districts 1, 2, 3, 4, 5, 6, and 7, and four directors at large expire at the Conference. The directors elected by Districts 1, 2, 3, 4, 5, 6, and 7, will be ratified and installed for two year terms and the four directors at large will be elected and installed for two year terms.

L. S. CROWDER  
General Manager-Treasurer

Attest:

ARTHUR H. HERT  
Secretary

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# "The Boss Is Back"

Adolph L. Salsburg

**F**OR THE FIRST TIME in years, the smoke that arose from a world conflagration is beginning to clear away so that we can make out at least the outlines of what is ahead. The jumble and confusion through which businessmen have had to grope is giving way to a clearly definable pattern; in which are elements including merchandise trends, consumer trends, legislative trends, at both Federal and State levels, credit, employment, labor, transportation trends and many others. So, to make things come out somewhat even, here are a few well-defined areas:

First: What is the general business picture ahead? Observers are unanimous that 1947 will be the year of the great shakedown. But do not take fright at those observers who mumble ominously in their beards. There is nothing to be afraid of—except that if businessmen take fright they may convert what is a desirable adjustment period into something much worse. Your figures may be less awe-inspiring than they have been; but that will be because supplies will be more nearly normal, buying more sane and competition keener in merchandise, in credit terms and in other ways than they have been. Competition will increase not only between normally competitive stores, but between different classes of merchandise. In soft goods it will be a year of decline; for hard goods, which are still just starting to come along, it will be a year of increases.

Then there is the price factor: It is certain now that prices will be seeking their level, moving back into orderly balance again. But, this is nothing to worry about, if it means that more men will be buying more and better shirts, for instance, at better prices. Another thing, to quote Lew Hahn, General Manager, N.R.D.G.A.: "The boss is back!" That is: Your boss—the customer. And that means, among other things, the return of store services largely eliminated under war emergency conditions.

This combination of decreasing prices, increasing competition, return of various services, plus other factors, probably will result in an upward turn of expense rates. Store operating expenses cannot always be recognized or adjusted overnight. Partly because of these factors, but chiefly because of the number of veterans who have gone into retailing without proper training or experience; there will inevitably be an increase in business failures in 1947.

But do not be frightened by these trends and happenings into thinking they are the crack of doom. If you

will think back to when competition and price movements and customer relations and operating expenses last moved freely, before the war; you will realize that these things can seem frightening now, only if we have forgotten that their existence is normal under normal operating conditions. They did not frighten any seasoned operators into making wrong decisions then, because they were recognized for what they were: Normal happenings to be dealt with in a system of unrestrained and freely competitive business operations.

Despite this, unless the spread of unwarranted fear upsets businessmen's reasoning and management ability, 1947 promises to prove one of the best volume years in all peacetime history. Conceding that the test will be severest for establishments relying solely on soft goods; the over-all decrease of business for 1947, according to the most reliable analyses, will be around 10 per cent; and after a 10 per cent decrease in 1946 volume, you still have a figure that will hardly justify the passing around of crying hankies, so popular in the dismal 1930's.

## What Can We Do About Conditions?

What's to be done about these trends and conditions? We have two categories; in the first category are those problems, practices and policies which can be dealt with only at the individual store level; with management in each store charting its own course and making its own policies. In the second category are the problems which can be met, the things which can be accomplished effectively only by all stores working together on common study and action through their local Retail Merchants Association. Isn't it high time to take definite steps to show customers that we realize the wartime joyride is over; that we appreciate and want their business as never before? There can be only one answer, and that forces us to consider what can and should be done.

Admitting that each store has the right to be just as foolish and strong-headed as it pleases. Is it intelligent to carry that right to absurd lengths? The problem is, by what measuring stick are we, as individual stores, to decide where intelligence stops and absurdity begins? By all odds the surest measuring stick is: "Will this step I am about to take ultimately benefit or harm my boss, the customer?" An equally important and correlative measuring stick is: "Just how long will this step give me an advantage over my competitor? How long after my brain storm hits the street in the newspaper will my competitor meet or beat it? How long will I continue to look like a smart guy to my competitors, my public and myself? How far will the repercussions go before they wear themselves out? And, finally, will the consuming public really benefit or be hurt by the added expenses which will accrue to myself and the retailing community, since, after all, these expenses must be passed on to the public eventually?"

Is it smart, for instance, in an atmosphere of falling prices and rising expenses, to beat our competitors in free gift wrapping; to open a season with markdown sales,

**ADOLPH L. SALSBURG** is General Manager and Secretary-Treasurer of the Retail Merchants Association, Houston, Texas. This inspirational and informative article is the excerpts of an address which he gave before the annual meeting of the Retail Merchants Association, Galveston, Texas.



phony or legitimate; to offer more frequent delivery service; to close our books earlier each month or advertise more attractive credit terms . . . terms which will mean added expenses that must be added to markup on blind merchandise?

The law even supports your individual right to be absurd in many of these realms by branding certain agreements with your fellow merchants as conspiracy and collusion. A recent opinion, rendered to the National Retail Credit Association by Attorney Jesse Andrews of Houston, branded Community Credit Policies a violation of the Federal Anti-Trust Law, even though nobody agreed to them officially, and even though punitive measures were carefully omitted; the Attorney General of the United States has also indicated to the Association that the mere fact that a number of stores all have the same credit policies, and practices, with the knowledge that their competitors are abiding by these policies, is sufficient to establish conspiracy and collusion.

Before exercising your right to be absurd, remember that in communities where competition is bitter and hard, statistics prove that mark-ups are lower, markdowns higher, selling expense ratios out of proportion; collection averages poorer and credit operations costlier than they ought to be or need be.

Looking at the credit problems of 1947 in the light of the recent removal of charge accounts from government regulation, coupled with the legal opinions on Community Credit Policies just quoted, taken together, they give retailers carte blanche to go right back to all the ugly, foolish things they had been doing before the war called a halt to "No down-payment, 36 months to pay and a free turkey to every new account." Unfortunately, there is clear evidence around the country, that already a trend in that direction is setting in. The anxiety of some merchants to sell credit terms instead of merchandise, is asserting itself again, and that is hardly conducive to sound business or good profit showing, in a year when cost factors threaten to assume major importance.

#### **Relaxing of Regulation W**

Relaxing of Regulation W came, naturally enough, at a time when free spending was coming to an end. Today, the consuming public no longer is running around with its latest fat pay check trying to find things to buy. The big ticket items are beginning to show up again, and people are realizing once more that credit has a real value in helping them maintain a high standard of living.

In our collection departments, it has been difficult until recently to convince debtors that they ought to pay their old bills for their credit record's sake. . . . Now we're finding people responding to that appeal. With the consumer waking up to the fact that he is going to need his credit, overbuying on credit is obviously just around the corner. It will not be long before your collection problem, filed away and gathering dust during the war years, will be right out on your desks again.

You have a golden opportunity to fend off future troubles if, instead of taking advantage of the current trend by returning to the vicious advertising of credit terms, you convince your customers of the value of a good credit record; and work with them on a program of wise buying and prompt payment. Be assured that

those who traffic in credit terms and boost their markup accordingly, will have their day of reckoning.

A great deal must be accomplished through cooperative activity, if 1947 is to be a year of maximum accomplishments in immediate profits and in future progress. How are your employees reflecting your desire to serve; and what can you do about it? You have a threefold obligation: To your customers, to your employees and to your stockholders or investors. Which of these is most important? Emphasis shifts with changing conditions. Sometimes your obligation to your employees seems to call for top consideration. Sometimes the spotlight shifts to your customers. Always the pressure for profits and dividends is great; so that maintaining a three-way balance is important, but difficult; however, if your employees are satisfied and your customers are satisfied, the outcome to those who look for profit from your operation will be satisfactory.

#### **Parking Is a Problem**

Parking, like the atomic bomb, is another major problem. City streets everywhere, laid out in a departed era for horse-drawn vehicles, are entirely inadequate for efficient handling of automobiles, either in motion or parked. In cities where nothing has been done about moving or parked autos, the downtown areas have suffered so drastically, that downtown property values have fallen 30 per cent or more, with dire results on tax collections and municipal operations. Within the next ten years, or less, experts estimate that automobile traffic will increase by, at least, one-third. Add that load to an already overloaded situation, and it requires neither a crystal gazer nor a slide rule engineer to tell what is going to happen; besides it is a problem without respect for size of town or its geographical location.

It is not just the retailers' problem, either. Reliable surveys show that most motorists driving into the downtown area are coming to work; to see a show, or for other recreation; to do their banking; to visit their doctor, dentist, or lawyer and only 8.2 per cent are coming to shop! Neither is it exclusively a downtown's problem. With the city's main business area footing a major portion of the tax bill, an appreciable drop in its tax productivity is going to be felt in decreased services city-wide; and in higher taxes even for the owner of a small, unimproved residential lot in the outskirts. It is significant how many cities across the country have talked, surveyed, fretted but achieved nothing net, until the downtown merchants realized a civic responsibility, took up the torch, rallied the other interests of the city and spearheaded an action program that got things done.

Whatever happens, two things will remain constant because these two things are rock-bottom basic. First, people are still people, and whether they are our investors, employees or customers, they still rate top priority consideration when we're faced with a policy decision affecting their well-being. Second, cooperative study and action still hold the best promise of solution for most of the problems retailing will face in this or any other year, either within its own ranks or in its relations with the community—which means with the people who are its investors, its employees and its customers. *Hold to these two constants constantly, and you will be among those who will prosper in 1947!* ★★★

# Declining Credit Requests by Letter

W. H. Butterfield

Educational Director, Editor of *Better Letters Service*  
National Retail Credit Association

ONE OF THE chronic "headaches" of credit department correspondence is the letter declining the request for a charge account. Credit executives seem unanimously agreed that nobody has ever written the "perfect letter" handling this delicate situation. Probably nobody ever will!

The usual letter declining a request for credit casts a strong reflection upon the applicant's personal reliability. It carries the clear implication that its recipient lacks either the conscience or the capacity to meet credit obligations promptly. Through an unfortunate choice of words, the credit correspondent often conveys exactly the ideas that should not be suggested to the reader.

Tactlessness in a letter declining credit often hurts the reader's feelings and injures his sense of pride. When this happens, the customer immediately translates his resentment into action by taking his cash patronage to another store. The net result: a careless, clumsy letter has lost the patronage and good will of a cash customer.

Here is a perfect example of how *not* to decline a credit application. The letter was in actual use for some time, and no doubt it produced exactly the results described in the preceding paragraph.

Dear Mrs. Blank:

After careful consideration, we find it necessary to reject your application for a charge account at this store. We regret that the circumstances permit no alternative.

Following the usual custom, we have secured a credit report for our guidance in reaching a sound conclusion. The information in your case does not meet our minimum requirements; hence we are unable to comply with your wishes.

We hope you will permit us the pleasure of your cash patronage, however, for we shall appreciate the opportunity to serve you in this way.

Yours very truly,

It is hard to imagine how a credit declination could be made more offensive to its reader. The message seems almost calculated to arouse as much reader resentment as possible.

Here is another example (in current use) which deals largely in negative words, though its writer does refrain from "rubbing in" the unsatisfactory nature of the credit report.

**THIS IS THE SECOND** in a series of articles by Mr. Butterfield on specific types of credit department letters. In *The CREDIT WORLD* for January, 1947, he discussed "Reviving Inactive Accounts by Letter." The remaining articles in this series will deal with other opportunities to strengthen consumer relations through better credit department correspondence.—ED.

Dear Mr. Blank:

We are very sorry, but we must decline your recent request, since we are unable to open a charge account for you at the present time.

We regret that we cannot offer you this accommodation now, but hope you may continue to deal with us on a cash basis, and at some later date we may be able to extend to you the usual credit courtesies.

Yours very truly,

No matter how it is written, of *course* any letter declining credit will disappoint its reader. But such negative words as *reject*, *regret*, and *unable* only emphasize the disappointing news.

The purpose of the declination letter, of course, is to convey the necessary information and still hold the reader's good will and cash patronage. To succeed in this objective, the letter must contain just as little negative emphasis as possible, and it must avoid any statement or implication that injures the reader's pride.

Here is a letter that minimizes the declination (1) by presenting it briefly and (2) by making it seem as impersonal as possible. The letter then concludes with an invitation for the reader to visit the store often and enjoy its many shopping conveniences.

Dear Miss Blank:

Thank you for your recent request for a charge account at (Name of Firm). Your confidence in this store is much appreciated.

Though we are not in a position to open the account just now, perhaps the situation later on will permit us to do so. We sincerely hope so.

Meanwhile, please visit the store often and enjoy the many conveniences of shopping here. Every effort will be made to serve you well, and we hope you'll give us frequent opportunities to do so.

Sincerely yours,

The cordial tone of the foregoing letter does much to counteract the reader's disappointment over the information it conveys. Such negatives as *reject*, *decline*, *sorry*, *unable*, and *regret* are avoided entirely. The friendly, sincere "ring" of the message makes its reader feel that the store wants to serve her, even though the credit request has not been granted.

A somewhat different approach to the situation is preferred by S. L. Weisskerz, formerly Director of Accounts, The Union, Columbus, Ohio. He calls the following letter a "tentative refusal of credit":

Dear Mr. Blank:

Thank you for requesting a Union charge account.

The information we received as a result of our usual investigation is not entirely complete, so we ask your assistance. No doubt you will be able to submit additional information to aid our decision in your behalf.

Will you please call at our office when you have a convenient moment? We'll be looking for you, and we shall appreciate your co-operation.

Cordially yours,

In commenting on the use of this letter, Mr. Weisskerz says: "We do not believe in writing the customer point

(Turn to "Declining Requests," page 21.)



## One IBM Punched Card Record Serves Many Retail Accounting Needs

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# Some Time-Honored Pills Would Cure Our Ills, If We Would But Take Them

Louis Spencer

General Manager, Spencer Collection Service, Oakland, Calif.

OLD-FASHIONED country doctors whose medicine cases always contained quinine, calomel, digitalis and other well-known drugs are too often disparaged by the present generation. Their methods of diagnosis and treatment, founded primarily on their individual experience and their penetrating understanding of human beings, are regarded as being crude, unscientific and as obsolete as the horse-and-buggy era in which they practiced. Yet despite the great advancement in medical knowledge and treatment, modern physicians continue to find that these ancient practitioners were not ignoramuses after all, and that many of their viewpoints, discarded a few years ago as being erroneous, have proved to be correct in the light of careful research.

For example, *hydrargyri chloridum mite* or calomel was discounted several years ago on the assumption that it was of very little value therapeutically. But today, its use is being revived. Where once the medical schools ridiculed it in the treatment of digestive ills, they are now, according to reports, teaching that calomel produces beneficial results in certain circumstances, when judiciously employed. Thus, the convictions of the older doctors are vindicated, and it is proved that things do not necessarily lose their value just because they have become familiar or commonplace.

As with medicine, so with business theories and practices, many of the trite admonitions and doctrines continue to be advocated; notwithstanding that we moderns often imagine ourselves to be so advanced, we can openly scoff at the old copybook maxims.

Today, we are aggravated with all sorts of irritating problems. It is generally agreed that the majority of them would vanish if we could stimulate production. But the rank and file of individuals seem to regard production as being an abstract proposition; something so big and complex that it must be dealt with by the government. Very few contemplate production in connection with individual effort, even when common sense tells them that national production is only individual effort multiplied. So, instead of heeding such old admonitions as: "Go to the Ant, Thou Sluggard," instead of believing that we should, individually, put our shoulders to the wheel, we all, executives and assistants alike, waste our time, our substance and our opportunities in criticizing big business, labor, politicians and other impersonal culprits. We are not only our own worst enemies; we are also stupid or mentally deranged.

It is stated, without fear of contradiction, that what this country needs is a dose of old-fashioned personal ambition for every John Doe and Jane Roe, be they executives or workers in the ranks. How to get them to take the prescription is, of course, the \$64 question; while luxuriating in the blessings that increased pro-

duction will bring, they will never admit that they are, individually, in need of a tonic. Voluntary cooperation is the solution to the problem, but, to date, nobody has devised a satisfactory method of inducing the required compliancy.

Perhaps it would be advisable to take a leaf from the book of an old doctor and resort to strategy. When this foxy old physician wanted a patient to drink more water he would give him a small vial of innocuous medicine, and insist that a few drops be taken in a glassful of water every hour. In this adroit manner he persuaded the patient to consume several pints of water daily. To get John Doe and Jane Roe to take what they need is the duty of the present-day business doctors and their economic assistants. It does no good to diagnose correctly the economic disease, unless the proper remedy is quickly and effectively administered. The call is for experts in psychological procedure, or for public relations psychiatrists who can administer a shock treatment that will cure. The field for such specialists is wide open and the demand is urgent. "Help yourself" must be made a slogan that every individual will want to appropriate as being his very own.

On the other hand, the patients must be guided and made to understand that in helping themselves, they must also help others. One of the faults of this era is that too much indulgence in selfish instincts has been manifested. When an employee is skilled and efficient he must be made to realize that it is a mistake to hoard knowledge for his own security. By limiting the opportunities of his fellow employees he limits his own and retards the progress of the firm. Everyone should comprehend that knowledge is one thing that can be given away, yet retained. Such men as Justice Holmes and Justice Frankfurter lost none of their prestige because they taught others to know the law. On the contrary, they were renowned for their success in this connection. When every person in an organization will not only function to the very best of his, or her, ability, but will also endeavor to train his, or her, associates so that they also will be able to function in harmony, then production will automatically increase throughout the land. It is as simple as that. For any of us to refuse to give all we have to give, is to deny ourselves a chance to get all we want to get.

In the coming year let the American people endeavor to get back to the homely, but sound, teachings that inspired our forefathers to found the world's greatest nation out of nothing but the raw material of a wilderness, and their own intelligent determination. *Let them remember that the old-fashioned theories may now seem elemental and trite, but that actually they are basic, today and forever.* ★★



## Check-Warning System

WE HAVE IT on good authority that two syndicates are operating in this country who send salaried agents from city to city for the sole purpose of cashing fraudulent checks. They are assigned to districts or territories, given water-marked printed checks, which are made up by a professional printing house, protectographs and a suitcase containing a portable printing outfit. With this equipment they are able to come into your town, "case" the locality, and then print up their checks with matching type. The name of the business house used on the check is sometimes fictitious, sometimes real, but usually the former. While a search of your city directory street guide usually shows the printed address to be a vacant building, we all know that with new businesses springing up by the thousands and directories being published only once a year, the check could be legitimate. The bank is closed and the passer of the check tells you they are still trying to get a telephone installed. There are lots of ways of verifying it, but after all you are faced with a man who makes a living from cashing checks. He is a smooth operator—he looks O.K., and so does the check. He has identification that looks good; it should, as a professional printer did the job.

Then there is the check passer who follows the mail man on the first of the month and steals department store statements. He goes to the store and pays the bill—with a check for more than the bill. He stands there before you waiting for an O.K.; his check is in one hand and your statement is in the other. Are you going to insult him by going to your application file to verify the signature?

Our check-warning system is not new perhaps, but there is proof that it works. A merchant spots a hot check, either when it comes back from the bank, or when perhaps the passer becomes alarmed and rushes out of the store. The merchant or credit manager telephones the Bureau giving a complete description of the check, and if possible of the party attempting to cash it. The Bureau switches a button that places the information on four teleautographs at the same time; these four stores immediately telephone three pre-listed stores, they in turn each call three other pre-listed numbers and so on until, in from nine to twelve minutes, we have notified 52 stores. One more round by those 52 stores (3 each) just about covers the Magic City; no store has been burdened, and usually the check passer is standing at your door waiting for you to finish telephoning your warning, so he can be ushered into your office to be caught. He has just had time to leave store number one and try store number two.

Do not get excited. Have a prearranged signal with your secretary, such as: "Has Harry been in to see me?" She says "No," and goes to another phone to call the police. By the time you have casually looked over the identification cards and discussed the weather, the police are there.

A few of the last stores on the list check back with the Bureau to make sure that the calls have gone through without a break.

We bring a listing of the week's warnings to every credit luncheon meeting, and ask for a showing of hands of any who failed to get any of them. It is easy to trace anyone breaking the chain and the offending member is

## Group Meetings

The meetings of the various groups will, as usual, be one of the outstanding features of the 33rd Annual Business Conference. The groups will meet on Tuesday, June 17, and Wednesday, June 18, from 2:00 P.M. to 5:00 P.M. Thursday afternoon, June 19, has been set aside for the Cycle Billing Forum, visits to the educational exhibits on the mezzanine floor, Hotel Jefferson, and visits to the credit departments of local members. Listed below are the rooms assigned to the groups:

### National Retail Credit Association

Banking and Finance, Daniel Boone Room, Mezzanine Floor, *Hotel Statler*.

Credit Clinic, Ball Room, 16th Floor, *Hotel Statler*, Monday afternoon, June 16.

Cycle Billing Forum, Room 8, Second Floor, *Hotel Jefferson*, Thursday afternoon, June 19.

Dairy and Baking, Private Room 3, Second Floor, *Hotel Jefferson*.

Department Stores, Missouri Room, Mezzanine Floor, *Hotel Statler*.

Furniture, Musical Instruments and Electrical Appliances, Adam Room, 17th Floor, *Hotel Statler*.

Ice, Fuel, Hardware, Building Materials and Supplies, Private Room 2, Second Floor, *Hotel Jefferson*.

Hospitals and Professional, Private Room 4, Second Floor, *Hotel Jefferson*.

Hotels, Room 106, First Floor, *Hotel Statler*.

Jewelry, Room 108, First Floor, *Hotel Statler*.

Men's Wear, Women's Wear and Shoes, Rooms 102-104, First Floor, *Hotel Statler*.

Newspapers and Publishers, Private Room 6, Second Floor, *Hotel Jefferson*.

Petroleum, Private Room 7, Second Floor, *Hotel Jefferson*.

Public Utilities, Auditorium, 10th Floor, *Union Electric Company of Missouri*, 315 North 12th St.

Small Loans, Private Room 9, Second Floor, *Hotel Jefferson*.

### Credit Women's Breakfast Clubs of North America

Reception Room, Art Gallery, Mezzanine Floor, *Hotel Jefferson*.

Annual Breakfast, Continental Room, Lobby Floor, *Hotel Jefferson*, Tuesday morning, June 17.

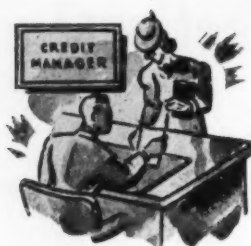
Annual Business Meeting, Crystal Room, *Hotel Jefferson*, Wednesday, June 18, 7:00 P.M.

### Associated Credit Bureaus of America

Credit Bureaus, Crystal Room, *Hotel Jefferson*.

Collection Service Division, Private Room 1. Second Floor, *Hotel Jefferson*. ★★★

placed at the end of the chain with no responsibility, or dropped altogether. Our cooperation is excellent; if a Credit Manager is out when the call comes in, the entire credit office knows what to do. When one Credit Manager starts the warning he does not wait for it to come back down the line from the Bureau, but calls his three numbers at once. *The check-jockeys are gradually learning that Birmingham is a hot town and should be avoided; consequently check losses have dropped amazingly.*—Sam A. Ivey, Assistant Credit Manager, Pizitz, Birmingham, Ala. ★★★



# The Importance Of the Interview

Russell T. Carvin

**W**E HAVE just passed through a war period when, in relation to an all-out effort to win the toughest war our nation has ever experienced, such matters as retail credit and other non-essentials were relegated to a back seat. In fact, credit outstandings were regulated by Regulation W in an effort to retard such business.

Upon the successful completion of World War II, we emerged to a period when government controls on business have been either entirely removed or modified, so that sales on credit will zoom upward; governed only by sensible competition and the sound guidance of the men and women in the thousands of retail establishments, who have the responsibility of guiding this Credit Ship through the somewhat rough but exciting journey that lies ahead. This voyage upon which we are now actually starting, should cause us all to stop and hesitate a moment, before deciding on the course we are about to follow. We have left the protected waters and comparative calm of the past and as skippers of the Credit Sales Departments of our stores, we must now endeavor to understand the present conditions and shoulder an even greater responsibility.

The aim of every good credit executive is to increase charge and installment business with a proportionate loss; the percentage of which should indicate whether or not we have kept to our planned course. Collections will become one of our main problems. It is, therefore, a great help in the final payment of an account, to have every function of the Credit or Budget Department reviewed. The various routines must be conducted in such a manner that fullest efficiency, with adequate records and information, be maintained.

The first fundamental step in our planning should pertain to the new account: namely, the interview. On this subject our training should be very thorough and should be based upon the essentials of courtesy and diplomacy. The credit interviewer must be affable and have a ready smile. He should convey an impression of sincere personal interest and helpfulness during the course of the interview. He must conduct himself in such a manner as to inspire confidence and put the applicant entirely at ease. We all realize an interview that has a friendly beginning and continues under that same relationship will be the most satisfactory. Such an interview

will permit and encourage the applicant to talk; therefore, such an interview will always furnish much valuable information that will not only aid the Credit Bureau, but will prove valuable if the account should ever become a collection problem.

The interviewer should be so tactful that through certain leading questions, or by casual conversation, he will be able to pick out weak or strong points about the applicant. He should have a good memory, for every little thing mentioned that would not be good policy to note in the customers' presence can be noted on the application after the customer has left. This may have some bearing on the actual income, number of dependents, number of children at school, or sons or daughters employed and paying their own way.

## Sections of Application

Every application should have a small section set apart to aid the interviewer in noting certain pertinent facts that he may have observed; such as his own impression of the applicant. This section could have small printed numbers and a certain mark could be placed beside each number such as: 1, a very good impression; 2, fair; 3, a poor impression, also, the initials Y. M. O. could be checked for young, middle-aged and old. And finally any remarks that the interviewer can note as additional information.

The interviewer must be alert, as something may be said that would indicate a possible fraud or wrong intent on the part of the applicant. An example of this occurred in our charge section recently. A customer had completed the interview having given all information regarding residence, husband's employment, etc., and then she requested that the charge coin be mailed to another address. The interviewer excused herself and consulted her supervisor, who on further questioning obtained an admission from the applicant that she had left her husband the day before and wanted the coin mailed to her mother's address. She evidently intended to run up a bill and pass the buck to her husband. We told her we required her husband's signature to the account; whereupon she cancelled the application. In this case the alertness of our interviewer saved us a collection problem.

Due to present conditions, with most overtime discontinued and many women no longer employed in defense plants, an alert interviewer may get the impression that the customer has a tendency to overbuy; particularly when the customer is making budget arrangements on higher priced luxuries, such as fur coats. Here is where diplomacy is necessary, as it may be desirable to have the husband's signature, or perhaps a guarantor. Sometimes both husband and wife are present, in which case a good interviewer will secure both signatures.

**RUSSELL T. CARVIN** gave this address at the annual conference of Districts Two and Twelve, National Retail Credit Association, Hotel New Yorker, New York, N. Y., March 2-4, 1947. He is Credit Manager, Blauner's, Philadelphia, Pa.

We cannot have too many of our accounts, either charge or deferred payment, arranged with the written approval of the husband. This is especially true today when general conditions in many homes are going through a period of instability—we all realize there has been a terrific increase in nonresponsibility notices. During the past Christmas season, we obtained hundreds of signatures of the husband, mostly through the mail. From a collection standpoint this has a tremendous advantage, as the one person responsible for the bills cannot then deny knowledge of the account, also, a few possibly troublesome accounts were eliminated, as we received cancellations from several of the husbands who had been notified of their wives' applications; these cases indicated that the husbands felt they could not afford the debt. Another type of applicant that the wide-awake interviewer can be trained to handle properly, is the minor. If the applicant is under 21, the name and address of her parents or guardian should be taken and their signatures definitely obtained.

The interview is the first and logical opportunity to explain the terms of the particular account for which the customer is applying. If it is a charge, the customer should be given a brief explanation of the fact that an itemized bill will be mailed the first part of the month for merchandise purchased during the previous month and that payment is expected in full by the 15th of that month. Or, in the case of a deferred payment arrangement, the terms should be clearly explained; the customer must understand on signing the lease or agreement that a stipulated amount is due at a certain date of each month. A good interviewer will endeavor to ascertain if the due date is understood, and when necessary rearrange or change the date to suit the customer. Make sure the customer has a copy of the agreement; this is not only required by law, but will, also, give a written confirmation of the terms to which the customer has agreed.

### **A Well-Handled Interview**

A well-handled interview, which has been both friendly and informative, will go a long way toward starting the new account in the right direction, and is an important factor toward its actual prompt payment or collection. A complete and accurate application will not only aid in whatever credit checkup is necessary, but will also simplify the passing or approval of the account. Occasionally it has been necessary to send for a customer to come back to the office, in order to clarify certain information that was improperly taken during the original interview. A complete credit application should be accurate besides containing complete information.

Reviewing an average application blank we see what can be gained by complete and accurate information:

(1) *The Customer's name.* We must have the full name, including the middle initial of both husband and wife. If she is separated, divorced or a widow, it should be noted, even then, the interviewer should mark it as "separated from John" or "divorced from Harry"; if a senior or junior, it should be noted, such as: "Mrs. John J. Jones, Sr."—not just "Mrs. John Jones." When the Credit Bureau files are checked or an investigation started with a complete name, your report is bound to come back far more complete and accurate than would otherwise be the case. Be sure the name is spelled cor-

rectly; the interviewer can compare the name taken with the customer's signature in order to insure its correctitude.

(2) *The Address.* Addresses should be detailed correctly; the house number, whether a street, avenue, lane, terrace, boulevard or road. If a town, it is sometimes well to note the county; never be satisfied with a Post Office address; for if it is a country town you can still obtain the highway number or road on which they live. Addresses should go back three to five years, and former addresses should be taken in detail; this is especially true if your customer has lived in your city only for a few months, and your credit investigation may have to be taken in some distant point. The residence may be in an apartment, hotel or rooming house, or even a trailer; wherever it is be sure to have apartment number or enough information so that you can find the applicant quickly, when needed.

(3) *The Phone Number.* It is important to get the customer to tell you her number; do not depend on the directory. All phones are not listed and the applicant will always tell you her non-listed phone number in a proper credit interview. This may aid you later in the collection department.

(4) *Employment.* There are two ways to list employment—the right way and the wrong way. If taken correctly, you will have the full name and address of the firm where applicant (or husband) is employed and if a large concern the badge number, the department and even the boss's name would be a help; for a proper occupational background we should go back 3 to 5 years. If husband and wife are both employed, it is important to note both places of employment.

(5) *Does your customer own her property? Does she rent, board or live with her parents?* These items correctly noted should have value from a collection standpoint as well as aid in passing the account. If applicant owns property, the assessment will be checked and, of course, it is important to know this in regard to collections. If applicant rents, the alert interviewer will take the landlord's or real estate agent's name and address. If applicant boards, the house owner's name should be noted and if applicant lives at home, be sure to take complete name of parents.

(6) *Bank references.* Get details regarding type of account, exact name and address of bank and branch, etc.

(7) *Business references.* Here again complete information will be helpful. List stores where applicant has accounts, whether accounts are paid up, active and if chain stores, give name of branch.

(8) *Personal references.* It would be well to obtain two references. Get full names and complete addresses, with notation about relationship. It may be possible you will actually have little use for such references in the opening of the account; however, your interviewer has done his job well, if and when your customer becomes a skip and you locate him through the personal references.

If we, who are responsible for the training of credit personnel, and the planning and guiding of our Credit Ship through the years ahead, will devote time and thought to the credit interview, it will be worth our while, because: "An application well taken, is an account more than half collected." ★★★



## Personality in Business

PERSONALITY MAY BE divided into three parts: first, preserve an open mind; second, discuss, but do not argue, as it is said, "It is a mark of superior minds to disagree and yet be friendly;" and third, make promises sparingly but keep them faithfully.

A pleasant personality is one ruled by traits which please others, elicits favorable responses from them and enables those who possess them to be desirable companions. Though such factors as physical contour and poise play an important part, our ability to win others is determined by whether we have such agreeable mental traits as habitual amiability, cheerfulness, considerateness and courtesy. There is no physical type, no special feature which causes some people to be attractive on a wide scale. Gentlemen may prefer blondes, but that remains to be proved scientifically; likewise, there is no one set of mental traits, no mental type which invariably pleases every one.

When personality is properly cultivated so that it is pleasing and inspires confidence, it is an outstanding asset which holds and cements the customer to the store. Safeguarding the store's interest and retaining the customer's good will is a dual responsibility. Numerous reasons justify the contention that a pleasing personality materially assists us in reaching our goal. For instance, we all know how keen is competition in business, the days of monopolies, of indifference to the public's likes and dislikes are past and if a business is to prosper it must have the good will of the public; therefore, the worker who can create good will for an enterprise is worth far more to his firm than one who turns business away by reason of his unpleasant mental make-up.

A good personality belongs to this modern age and is associated with the genius of the 20th century. It is the biggest factor in the universe. Business as a whole is rapidly awakening to the fact that there is no more a place in the present scheme of things for the man of anemic personality, than there is for a tallow candle in these days of electric lights. Personality pays those who invest time and sincere endeavor in the development of the God-given qualities within them, they receive in return rich compensation for their efforts. One who has made long and careful study of this says: "No matter what your business, occupation or profession, the more you cultivate your personality the more successful, attractive and popular you become."

Personality is but the sum total of many little acts, habits, traits of character and conduct, and this is encouraging because we can all attempt small improvements, especially by remembering that each one makes the next one easier and the cumulative result soon becomes what at first seemed unattainable.—E. F. Horner, *Credit Manager*, Kline's, St. Louis, Mo. ★★★

### Correction

In spite of our vigilance, an error will occur now and then in *The CREDIT WORLD*, such as the price of Standard Application Forms, on the outside back cover of the March issue. The correct prices are as follows: 100, \$1.00; 500, \$4.00; and 1,000, \$6.00. For complete list of prices on supplies see page 14 of this issue.

## Educational Exhibits

THE EDUCATIONAL EXHIBITS will again be one of the outstanding features of the 33rd Annual Business Conference of the National Retail Credit Association to be held in St. Louis, June 16-19, 1947. Delegates attending the Conference will find it worth their while to visit these exhibits and demonstrations of time-saving and money-saving aids to business efficiency. The exhibits, numbering sixteen, will be installed by the following manufacturers:

Acme Visible Records, Inc.  
Addressograph-Multigraph Corporation  
Art Metal Construction Company  
Craig Cycle Billing Files  
A. B. Dick Company  
Farrington Manufacturing Company  
International Business Machines Corporation  
Kellogg Switchboard & Supply Co.  
Monroe Calculating Machine Company  
The National Cash Register Company  
Recordak Corporation  
Remington Rand, Inc.  
The Sawdon Company  
Shaw Walker Company  
TelAutograph Corporation  
Underwood Corporation

## Credit Managers Can Help

ONE OF THE trite and true sayings in the collection profession is that "you will never collect a cent from the debtor until you find him." Credit managers can help to collect part of the one hundred million dollars in delinquent accounts on the creditors' books each year. Many of these delinquent bills are listed as skips. The greatest expense and the largest amount of grief in the collection profession as well as in the credit manager's busy working life is the skipped debtor. The unfair customer who intentionally or thoughtlessly fails to leave his address with his creditors is the worst of skips.

Credit managers should aid and cooperate by properly entering the debtors' history at the source of information which is in the credit manager's office. The prospective customer will tell all—will give his life's history—he will answer every question about himself and his antecedents, and will reply to all queries fully and completely, if the credit manager has the proper training, the patience and the nerve to carefully carry through with the rule of securing complete information at the time of the credit application.

If the credit records are complete, the credit manager of the store, bank, hotel, finance company, oil company, or any other line of business will have already found the skipped debtor before he is lost. Proper listing of credit applicants is appreciated by the thousands of collection bureau operators, enabling them to collect over six million dollars per year to the mutual benefit of all credit granters.—Fred C. Walker, *Manager*, Walker's Collection Service, Long Beach, Calif. ★★★



## Consumer Credit Letter

CONSUMER CREDIT LETTER is the name of a new weekly publication now being issued for credit executives. Written and produced in newsletter style, it contains a summary of important events and trends in consumer credit, as well as analysis of their significance. Its highly condensed technique enables the Letters to cover a large number of credit events in four easy-to-read pages and is well suited to the requirements of busy credit executives.

The Letters are produced in New York each Saturday and mailed by first-class mail or air mail so as to reach subscribers all over the country on Monday. A chief aim of the publication is to interpret the relationship of various branches of the profession to other segments. Thus, retail credit executives can learn the significant developments of banking and finance which affect their own customers. In like manner, bankers and small loan company officials can find in its pages the current thinking going on in executive offices of stores. A major policy of the Letters is the advocacy of sound credit, a principle which will become increasingly important in the new era of liberalization of credit which is the cornerstone upon which modern business is built; and it is due to its correct functioning that a business succeeds or fails. In this age of technocracy we expect 100 per cent efficiency from machines. When the human element is involved, however, a certain percentage of mistakes or errors will invariably occur; therefore the information you can receive from digested reading in *Consumer Credit Letter* will prove an invaluable help to you.

### ***This Is a New Project***

Though this is a new project, the Newsletter already numbers among its subscribers numerous leading credit men throughout the United States and Canada, including credit executives of prominent department stores, auto and equipment dealers, bank and loan company officials, controllers and research men in public utilities and manufacturers of consumer equipment.

Robert Kaye is the editor and publisher of *Consumer Credit Letter* and is assisted by a staff of competent credit and news experts and correspondents located in Washington and other key news centers. Mr. Kaye is well known to credit granters as the editor of *Credit Sales*, the monthly pocket size magazine which he published for Credit Bureaus before the war. *Credit Sales* was discontinued soon after Pearl Harbor, when Mr. Kaye was called to Washington. He was sent to London by the Office of War Information and served there as Director of Field Operations of the American Broadcasting Station in Europe which was engaged in psychological warfare. Upon his return to the United States he became an official of the State Department, acting as consultant on special writing problems of the Department.

Subscription to *Consumer Credit Letter* is available at \$25.00 for 52 weeks. Members of the National Retail Credit Association may secure a sample copy by writing Consumer Credit Publications, Inc., 175 Fifth Avenue, New York 10, N. Y. ★★★

## Annual Conference NOTES

### ***The Credit Clinic***

As the Credit Clinic held in connection with our Cleveland Conference last year was so successful, we will again hold a Credit Clinic at the forthcoming 33rd Annual Conference of the Association in St. Louis, June 16-19. The Clinic will be held on the afternoon of the opening day—Monday, June 16, on the 16th floor of *Hotel Statler*. All groups will participate in the Clinic. Questions will be prepared in advance and answered by members of the panel. Questions from the floor will also be in order, and members other than the panel will be urged to join in the discussions. The panel will consist of some of the outstanding retail credit executives in the United States and Canada.

### ***The Grand Banquet and Dance***

The grand banquet and dance will be the final event of the Conference. It will be held in the Gold Room, *Hotel Jefferson*, Thursday evening, June 19.

### ***Advance Registrations***

So far the Associated Retail Credit Men and Credit Bureau of St. Louis, the hosts for the Conference, have received 875 advance registrations. From all indications, this Conference will have the largest attendance in the history of the National Retail Credit Association.

### ***Board of Directors Meetings***

The pre-conference meeting of the Board of Directors will be held Monday morning June 16 in Room 102, *Hotel Statler*. A post-conference Board of Directors' meeting will be held Thursday afternoon, June 19, in Room 102, *Hotel Statler*. It is hoped that the most important items will be covered at this meeting in order that some of the Directors can leave after the grand banquet and dance Thursday evening. There will be a meeting of the Board of Directors, Friday morning, June 20 in Room 102, *Hotel Statler*, to discuss those subjects not covered in the meeting on Thursday afternoon.

### ***Forms Exhibit***

The exhibit of credit department letters and forms has always been a popular feature at our annual conferences. These letters and forms are submitted by our members throughout the country in stores of almost all lines of business. The portfolios will be available for inspection and all delegates are invited to inspect them. If you wish to have the forms and letter of your credit department included in the exhibit, send six copies of each to the Chairman of the Forms Committee, E. F. Horner, *Credit Manager*, Kline's, St. Louis, Mo.

### ***Speakers***

Outstanding credit executives of the United States and Canada have been invited to speak at the general sessions, which will be held on Tuesday, Wednesday and Thursday mornings. In addition, a banker, a store executive and a University Professor will appear on the program. These talks alone are well worth the time and expense of attending the Conference. A complete program of the general sessions will appear in the May CREDIT WORLD. ★★★

# PRICE LIST

## Stickers, Credit Supplies, Books, Forms, etc.

### STICKERS AND INSERTS

All stickers and inserts are \$2.50 a thousand; assorted, \$3.00. Order by name of sticker or insert and, if possible, attach sample to your order.

### AGE ANALYSIS BLANK, Form 721

100 . . . . .	\$1.25
500 . . . . .	4.50
1000 . . . . .	8.25

### BOOKS

*Retail Credit Fundamentals* by Dr. Clyde Wm. Phelps, 318 pages, \$5.00 a copy, prepaid.

*Important Steps In Retail Credit Operation* by Dr. Clyde Wm. Phelps, 76 pages, \$1.50 a copy, prepaid.

*Streamlined Letters* by Waldo J. Marra, 464 pages, \$5.00 a copy, prepaid.

*How to Write Good Credit Letters* by W. H. Butterfield, 47 pages, \$1.50 a copy, prepaid.

*Successful Credit Department Letters*, contains approximately 150 letters of all types, 32 pages, \$1.00.

### COLLECTION LETTERS

No. 1 and No. 2 to be signed by creditor (letterhead shows member N.R.C.A.).

100 . . . . .	\$1.50
250 . . . . .	3.00
500 . . . . .	5.00

### CREDIT APPLICATION BLANKS, Form NA 1

100 . . . . .	\$1.00
500 . . . . .	4.00
1000 . . . . .	6.00

### CREDIT WORLD BINDERS

Cloth, gold lettering, capacity 12 issues, \$2.50 prepaid.

### CREDIT WORLD FILES

Cardboard resembling buckram, capacity 24 issues, \$0.75 prepaid.

### N.R.C.A. ELECTROS (Shield Style)

1 inch Reverse . . . . .	\$0.75
¾ inch Reverse . . . . .	0.50
¾ inch Open . . . . .	0.50

### N.R.C.A. ELECTROS (Round Style)

1¼ inch . . . . .	\$1.75
1 inch . . . . .	1.50
¾ inch . . . . .	1.25
½ inch . . . . .	0.75

### EDUCATIONAL BOOKLETS

*The Good Things of Life on Credit*, illustrated in two colors, 12 pages, size 3¾ x 6¼.

500 . . . . .	\$ 8.00
1,000 . . . . .	14.50
5,000 . . . . . (per thousand)	13.00
10,000 . . . . . (per thousand)	12.00

### EDUCATIONAL BLOTTERS

*Credit Bureau Musts*, printed on 140 pound fawn colored perfection enamel blotting paper, size 2½ x 8½.

250 . . . . .	\$2.25
500 . . . . .	4.00
1,000 . . . . .	7.50

### N.R.C.A. MEMBERSHIP SIGNS

Photoplated in gold letters on rich blue background, under glass plate, and mounted on a walnut finish wood block base. For desk use, adapted to stand upright. Size 4¾ x 3.

One . . . . .	\$1.00
Three . . . . .	2.85
Five . . . . .	4.50

### N.R.C.A. MEMBERSHIP DECALS

Unmounted for office windows or on glass top desks. Size 3½ x 4¾.

One . . . . .	\$0.20
Three . . . . .	0.50

### BETTER LETTERS SERVICE (Write for details)

12 issues . . . . .	\$25.00
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### N.R.C.A. EXTENSION COURSES (Write for details)

Retail Credit Fundamentals . . . . .	\$7.50
Streamlined Letters . . . . .	7.50

### PAY PROMPTLY ADVERTISING CAMPAIGN

(Write for portfolio)

14 mats . . . . .	\$35.00
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**NATIONAL RETAIL CREDIT ASSOCIATION**  
SHELL BUILDING ST. LOUIS 3, MISSOURI

# CREDIT FLASHES

## Annual Meeting at Cleveland

The Cleveland Retail Credit Men's Co. held its 49th annual meeting and banquet February 4, at which 600 were in attendance. The following officers and directors were elected for 1947: President, Foster R. Close, Wm. Taylor Son & Co.; Vice-President, C. W. Tobey, The East Ohio Gas Co.; Treasurer, J. G. Ost, Cowell & Hubbard Co.; and Secretary, for his 31st year, W. G. Gray, Cleveland Retail Credit Men's Co. Directors: Clyde C. Kortz, Higbee Co.; T. W. Walters, Bank of Ohio; George Brennan, B. R. Baker Co. and A. R. Peterman, *Cleveland Plain Dealer*, who was appointed to the unexpired term of Wm. Hoffman, who is now with Charga-Plate Stores. Tribute was paid to Giles C. Driver, retiring as credit manager of The May Company, having held that position for 28 years.



F. R. Close



C. W. Tobey

## Nashville Fish Fry

Two hundred members attended the Fish Fry of the Nashville Retail Credit Association recently. The orchestra was a tub band of colored men, all of whom, excepting one, were totally blind. Pictured below on the left are: His Honor Tom Cummings, the Mayor of Nashville, leading the orchestra; leading in the singing are Rhue Roberts, Bells Booteries; R. E. Buckingham, President, Nashville Retail Credit Association, and Mrs. Mary Lemmer, Secretary, Nashville Retail Credit Association. In the picture on the right, lower row, left to right are members of the N.R.C.A. Quarter Century Club: Alton J. Johns, Mercantile Service Corp.; Miss Annie Mai Polk, Gus Mayer Corp.; and E. C. Harlan, retired, Honorary Life Member. Upper row standing, left to right: R. E. Buckingham, Sales Manager of The Credit Bureau; Ben C. Nance, Manager, Nashville Credit Bureau; Miss Jennie Irwin, Ellis Shoe Co.; and V. M. Gribble, Lusk Furniture Co.



## Coming District Meetings

District One (Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont, Quebec, Canada, and Nova Scotia, Canada) will hold its Annual Conference at the New Ocean House, Swampscott, Mass., April 24 and 25, 1947.

District Eight (Texas) will hold its annual meeting at the Gunter Hotel in San Antonio, Texas, May 11, 12, 13 and 14, 1947.

District Nine (Colorado, New Mexico, Utah and Wyoming) will hold its annual meeting at the Hilton Hotel, Albuquerque, N. Mex., April 13, 14 and 15, 1947.

District Ten (Idaho, Montana, Oregon, Washington, Alaska, Alberta, Canada, British Columbia, Canada, and Saskatchewan, Canada) will hold its annual meeting in Vancouver, B. C., May 25, 26, and 27, 1947.

District Eleven (Australia, Arizona, California, Hawaii, and Nevada) will hold its annual meeting April 21 and 22, 1947, Hotel Sainte Claire, San Jose, California.

## Help Wanted

Credit Bureau Manager with collection department experience. Eastern City. Box 472, The CREDIT WORLD.

## Positions Wanted

Credit and accounting executive available. Eight years with present company, covers the management of credit and accounting for seven large stores. Will consider only top job. Prefer South or Southwest. Box 471, The CREDIT WORLD.

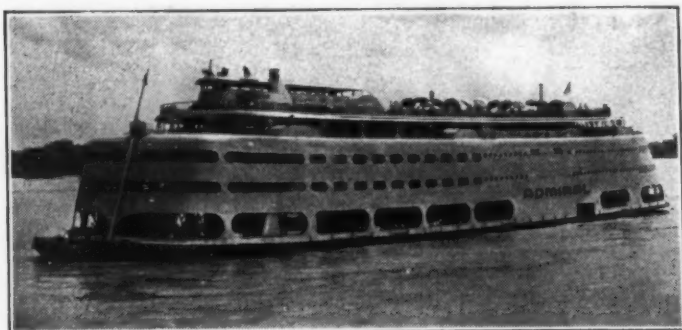
Credit Manager or Office Manager, 35, married, own car. 12 years' experience loan, wholesale, retail and mail order. 4½ years college and 1 year accounting. Will locate anywhere. Box 473, The CREDIT WORLD.

## For Sale

Six 50 Panel Remington Rand Files, complete with 20" x 6½" panels and interlocking tubes. Desirable for primary authorizing. All in good condition, some are new. Address Box 6111, The CREDIT WORLD.







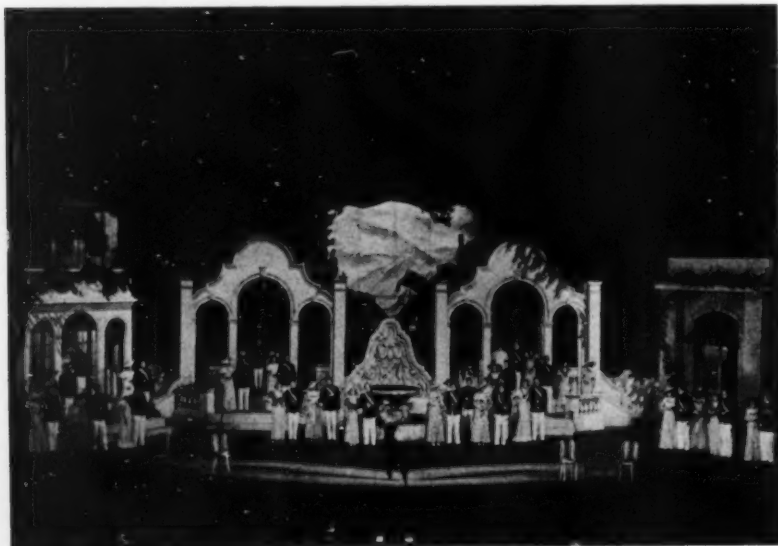
The million-dollar, streamlined, air-conditioned excursion steamer, S.S. "Admiral," makes daily and nightly trips on the Mississippi River.

ST. LOUIS is a city of intriguing contrasts. It blends the charm of the Old South with the vigor, the friendliness and the vision of the West. Founded before the American Revolution, it was a great trading center when its sister cities of the Middlewest were still Indian trails; yet today it is one of the most modern and progressive of metropolitan centers. It is a city of distinguished cultural attainments and of gracious living, and it is at the same time a center of industry and commerce.

Here are some of the things that make St. Louis "The City of a Thousand Sights," and you will want to see them when you attend the 33rd Annual Business Conference in St. Louis, June 16-19:

**Forest Park:** The second largest public park in America, this park includes in its more than 1,400 acres the world famous Municipal Opera, the St. Louis Zoological Gardens, the Art Museum, the Jefferson Memorial Building, which houses the Charles A. Lindbergh trophies, and the Jewel Box with its modernistic botanical displays.

**The Old Courthouse** where still stands the stone auction block on which slaves were sold. This historic structure also is noted as the scene of the Dred Scott slave case and the starting point of the Daniel Boone trail.



Stage scene at Municipal Opera in Forest Park. At this entertainment under the stars, an average of 10,000 nightly view the best of the nation's light operas and musical comedies. A trip to St. Louis is not complete without a night at the Opera.

# St. La

**Grant's Cabin** just outside St. Louis on the Gravois Road; built by Ulysses S. Grant, and surrounded by a fence made of Civil War rifle-barrels; The Dent House, where Grant was married to Miss Julia Dent in 1848, was at Fourth and Cerre Streets in the city, and a metal shield now marks the location.

**Jefferson Barracks**, century-old United States Army post occupying site on the right bank of the Mississippi, just south of St. Louis; it comprises 1,261 acres, and includes a famous national cemetery.

**The Missouri Botanical Gardens**, popularly known as Shaw's Gardens, contains the largest collection of plant life in the western hemisphere and is famous the world over for its wealth of botanical species and its beautiful floral displays.

**The Municipal Opera:** In a huge outdoor amphitheater seating 10,000 persons is offered nightly during the summer months the best of the nation's light operas and musical comedies, with noted stars of stage and screen in the leading roles.

**The St. Louis Zoological Gardens'** animal shows, presented daily throughout the summer months, are noted for their originality. Its open, barless dens and paddocks were the first of their kind in this country.

**The St. Louis River Front** may not be as picturesque as it was in the day of the "Robert E. Lee" and the roustabouts, but it is just as fascinating today, with its modern river-rail terminals, its crowded bridges and its river steamers. Here also is the beginning of what is destined to be one of the great national monuments of the country—the Jefferson River Front Memorial, commemorating the Louisiana Purchase.

**The S. S. Admiral** is the largest and finest inland passenger steamer ever built in America. The sleek, rounded nose typifies its smooth, streamlined design, its modern construction and up-to-date equipment, including the largest air-conditioning plant ever installed on any vessel, and the only one on a river passenger boat. It is truly a steamer of today.

**The Old Rock House**, St. Louis' oldest building, still occupies its place on the river front at Chestnut street, while a few blocks away may be found the historic Old Cathedral, on the site of which the first mass was celebrated in St. Louis, in 1764. The present edifice is more than one hundred years old.

**Eugene Field Home**, 634 South Broadway, furnished with arti-



# THE CITY of A THOUSAND SIGHTS

cles used in boyhood by "The Children's Poet"; clothing of his wife and children, original manuscripts and many interesting curios.

**The Campbell House**, surviving mansion of famous "Lucas Place," with original furnishings of the golden 1850's.

**The Municipal Plaza** is in the very heart of downtown St. Louis. Here can be seen the handsome buildings of the Municipal Auditorium, the Civil Courts Building, the Federal Court and Customhouse, and the Soldiers' Memorial. In the same group are the city's impressive City Hall and the Municipal Courts Building, and near by may be seen the huge Police Headquarters and the Central Public Library.

**Sportsman's Park**, where there is a major league baseball game almost every day or night throughout the summer. Battling Brownies and colorful world champion Cardinals provide plenty of thrills for baseball fans.

**Washington and St. Louis Universities:** Both are widely known for the excellence of their medical schools, and other departments are accorded prominent standing among the universities of the country. A Jesuit institution, St. Louis University was the first university in the West. Washington University has one of the country's most beautiful campuses.

## Register Now

Registrations for the 33rd Annual Business Conference of the National Retail Credit Association, Associated Credit Bureaus of America, and the Credit Women's Breakfast Clubs of North America, to be held in St. Louis, Missouri, June 16, 17, 18, and 19, 1947, should be sent at once to the Associated Retail Credit Men and Credit Bureau of St. Louis, 520 Chamber of Commerce Building, St. Louis 1, Mo. Use the blank below.

**The Famous Lindbergh Trophies**, each representing the admiration of some nation for the intrepid "Lone Eagle" who, in 1927, swept through the skies and dropped safely from the heavens on a famous flying field in Paris.

**Lambert-St. Louis Municipal Airport** is located conveniently near the city, and is one of the outstanding airports of the nation. St. Louis has long been a leader in aviation and the facilities here are excellent.

**Christ Church Cathedral**, just beyond Hotel Jefferson, is the mother church of the oldest Protestant diocese west of the Mississippi.

**The Jewel Box in Forest Park**, a cathedral of waterfalls and flowers, where is beauty, fragrance and soft music; the Jewel Box is surrounded by the largest of the park's three beautiful rosariums.

**The Art Museum**, a repository of art which is ranked as one of the four best in the country.

**The Milles' Fountain** across from Union Station in a spacious plaza set against a background of the downtown skyline is the famous fountain whose bronze figures depict, amid spray glistening in the sunlight, the wedding of the Mississippi and Missouri Rivers.

**The New Cathedral**, a \$3,750,000 edifice which is one of the most magnificently furnished cathedrals in America; seat of St. Louis Catholic Archdiocese.

**The Spanish Government House Site**, where, on May 9, 1803, the entire territory of Upper Louisiana was transferred to the United States. Near this point a river-front ceremony was held just before the Lewis and Clark Expedition set out for the Oregon Territory.

THESE and many more sights you will want to see when you attend our 33rd Annual Business Conference next June. Plan now to come and see the city that is rich in the glories of pioneer history, yet young and strong with the spirit of modern progress. ★★★

## Registration Blank

Registration Fees:—Delegates \$12.50. Wives, families and guests \$5.00.

Name of Individual.....

Date of Arrival.....

Name of Firm.....

City and State.....

Will attend sessions of..... Group.

Time of arrival..... A.M. P.M. By Train ☐ Plane ☐

Auto ☐ Bus ☐

Will Wife Attend? Yes ☐ No ☐ Her Name.....

Check Enclosed ☐ {for... \$12.50 registrations—\$ Total

{for... 5.00 registrations—\$ Total

Grand Total \$

Mail to: Associated Retail Credit Men of St. Louis, 511 Locust Street, St. Louis 1, Mo.



# *Journeyings* of the General Manager \* \* \* L. S. Crowder

LAST SUMMER, in arranging the year's program of the Nashville Retail Credit Association, its energetic and enthusiastic president, R. E. Buckingham, scheduled me to speak at their February meeting.

Arrived in Nashville Thursday morning, February 20, and was greeted with a four-inch snow. The streets were slippery and local transportation disrupted. After waiting at the station a half hour, I finally got on a bus that took me within a block of my hotel, The Hermitage. Fortunately, I had a small bag, as I was making no other stop, so was able to manage.

At noon National Vice-President Reagan and Messrs. Harvey King and B. G. Carver joined me at The Hermitage for luncheon. Mr. Buckingham could not attend as he had another luncheon engagement.

The meeting at the Hotel Andrew Jackson that night was attended by 100 or more, the attendance having been affected by the weather. After opening remarks by President Buckingham, I was introduced by Mr. Reagan. I talked for thirty minutes, on credit conditions and the outlook for the future, which was followed by the presentation of buttons and pins to seven members of the Quarter Century Club. (Picture on page 15.)

## **"Get Together" in Nashville**

After the meeting there was a "Get Together" in the Nashville room, which lasted until after midnight. On my visits to Nashville there is usually a friendly game of poker, in which on two occasions several of the girls have taken part. The two winners were Hugh Reagan, to the extent of about \$18.00 (which I hope Mrs. Reagan had him hand over the next day, or will do so if she reads this account), and Mrs. Frances Teter, who plays a very good game. As usual, I contributed three or four dollars.

On Friday I made a few calls, but they were limited, due to the weather. Mr. Buckingham had arranged for twelve or fourteen of the key credit managers to attend a luncheon at The Hermitage on Friday noon.

In my reference to Mr. Buckingham on Thursday evening I stated that he was the most unique president it had been my pleasure to meet—that he not only builds the membership of his Association, but also makes it a point to bring out the attendance. Members at the Cleveland conference last May will remember that he was introduced with the comment that he personally obtained sixty-seven applications for membership in the Nashville and National Associations. He has done an outstanding membership job over the years and is due our thanks. I suggested that in the future Mr. Buckingham be known as Robert Emerson "Unique" Buckingham.

En route to St. Louis I went to Louisville by plane and spent Saturday and until noon Sunday with my mother, an opportunity that is seldom presented.

Spent Friday, February 14, through Sunday noon, the 16th, at South Bend, in attendance at the joint conference of Districts 5 and 13. The meeting was well attended and considerable interest was manifested in the program. An excellent address, "The Common Interest," was delivered by Dr. James E. McCarthy, Dean of the College of Commerce, University of Notre Dame. It will not appear in *The CREDIT WORLD*, as a similar address, before the American Finance Conference in November, was published in the December *CREDIT WORLD*.

Friday noon it was my pleasure to have luncheon at the Studebaker Corporation, with friends and former associates, Arthur G. Rumpf, Vice-President and Treasurer, Howard Clement, Assistant to Mr. Rumpf, and Harvey Dalton, Comptroller. As Executive Vice-President of the Motor Dealers Credit Corporation, an affiliate of the Studebaker

Corporation, with headquarters in the Studebaker Administration Building, South Bend (1928-1929), I enjoyed my residency in South Bend.

It was my privilege to sit in on part of the Collection Service Division session on Friday afternoon, and I had the pleasure of attending the luncheon of the Credit Bureaus of District 5 on Sunday. Unfortunately, to make train connections at Chicago for St. Louis, I had to leave early.

The joint dinner meeting of the Breakfast Club members of Districts 5 and 13, Friday evening at The Oliver Hotel, was well attended and most enjoyable. The very efficient, delightful and sincere president of the Credit Women's Breakfast Clubs of North America, Miss Agnes Moyer of Reading, Pennsylvania, was present and delivered a most excellent message to the members. I am sure the members throughout the United States and Canada are proud of their president.

The Song-Fest and Get Acquainted Hour, at The LaSalle Hotel, 10:00 o'clock Friday evening, brought out a good crowd and was thoroughly enjoyed by all.

The banquet at The Oliver Hotel on Saturday evening was attended by more than 300 and was a very enjoyable affair. The Toastmaster, Earl E. Reeder, Vice-President of St. Joseph Bank & Trust Company, did a very fine job and the entertainment, in the form of a broadcast, prior to the dancing, was different, and was favorably received.

On Sunday morning the credit managers attended an open forum from ten o'clock until noon, of which Earle Harrison of Marshall Field & Company, Chicago, was discussion leader. Some very interesting subjects were discussed and many questions asked from the floor.

The newly elected Officers and Directors of Districts 5 and 13 will be listed in the May *CREDIT WORLD*.

Next year, in the second or third week of February, the joint meeting will be held in Louisville, Kentucky. Delegates who attended the conference in Louisville in February, 1939, remember that meeting and the mint juleps and are eager to return there in 1948.

Thursday, the 27th, and Friday, the 28th, were spent in Pittsburgh. I attended the weekly luncheon, at which approximately forty-five were present. Following my talk on "Credit Trends," the delegates were elected for the 33rd Annual Business Conference of the National Association, to be held in St. Louis, June 16-19, 1947.

## **Calls in Pittsburgh**

Calls were made on: A. C. Dunn, Roberts Jewelers; A. S. Kerby, Hardy & Hayes Co.; Messrs. Kossin, Schmidt and Foster of the Pittsburgh Branch, Federal Reserve Bank of Cleveland; Howard W. Leonard, Joseph Horne Co.; C. G. Kaessner, Kaufmann's; Herb Smit and Past President J. A. White of the Harris Stores; E. T. Warmbier and B. J. Lindberg, Spear & Co.; Past President Franklin Blackstone, Frank & Seder; Tom L. Ford, the efficient manager of the Credit Bureau; R. M. Overall, Treasurer of Gimbel's and president of the Credit Bureau; H. E. Wilson and W. B. McConnell, also of Gimbel's. Mr. McConnell is a member of the Quarter Century Club. I also called on C. W. Orwig of the Commonwealth Trust Company, and later was his guest at luncheon. Quarter Century Club buttons were delivered to Franklin Blackstone, Carl G. Kaessner and Harry C. Engel. Buttons are to be mailed to several other Pittsburgh members.

On Thursday evening our annual game of poker, with Past President Joseph White, Herb Smit, the president of Harris Stores Co., F. R. McCaffrey, president of the Pittsburgh Association, Al Spurrier of the Credit Bureau, Martin P. Rosenthal, advertising manager of Harris Stores Co., H. A.

Clarke, Boggs & Buhl, and I participating, was in session for several hours. As usual, President McCaffrey and I gave the party, though the other member of what is usually the losing trio, Joe White, was the winner, to the extent of \$32.00. Subsequently, in talking with Mrs. White over the telephone, I informed her that Joe was to hand her \$32.00, with the compliments of the losers. I hope she collected.

Saturday, March 1, through Wednesday, the 4th, were spent in New York. Sunday was spent at Amityville, L. I., with my daughter, who teaches physical education in the public schools of Amityville.

The Monday session of the joint conference of Districts 2 and 12, with District 1 cooperating, was largely on fundamentals of credits and collections, starting with the interview. It was under the chairmanship of Clarence E. Wolfinger, president of District 12, and was patterned after a very successful forum held in Philadelphia recently. It proved a highly constructive session and several of the papers will be published in *The CREDIT WORLD*.

Appreciated the opportunity of attending the breakfast and installation of officers of the Mid-Atlantic Council of Credit Women's Breakfast Clubs, on Tuesday morning, March 4, at 7:30. Miss Francie E. Rowe of Washington was the installing officer.

Brief talks were made by Miss Agnes Moyer, International President, Clarence E. Wolfinger, President of District 12, Harold A. Wallace and myself. I was especially pleased that Miss Louise Walker of L. Herman Company of Danville, Virginia, was elected president of the Council. Miss Walker has been a loyal member of the National Association since 1934. I predict for Miss Walker a very successful year as president of the Council.

The Tuesday morning session was a full one and the chairman was Harry A. Hartford, Paine Furniture Co., Boston, President of District 1, N.R.C.A. I addressed the group, to open the session, and was followed by Mr. Wolfinger, Harold A. Wallace, Executive Vice President, Associated Credit Bureaus of America, St. Louis, A. J. Guffanti, Vice-President, Springfield National Bank, Springfield, Mass., on "The Future of Installment Selling," Philip Gleason, Abercrombie & Fitch Co., New York City, on "Résumé of Cycle Billing," and James M. Malloy, Abraham & Straus, Inc., Brooklyn, on "Personnel Problems."

In the afternoon there were several group meetings. The general group was presided over by Mr. Malloy, and proved very interesting and constructive. List of Officers and Directors of Districts 2 and 12 will appear in the May *CREDIT WORLD*.

On Wednesday noon I attended a luncheon of the New York Association at the Martinique Hotel. They meet weekly in the same room on the Mezzanine Floor and credit managers visiting New York are cordially invited to attend. Meetings are informal.

#### **Left for Washington**

Left for Washington at 4:00 that afternoon. Thursday morning I had as breakfast guests Harold A. Wallace and R. Preston Shealey, our Washington representative. Following a discussion of the possibilities of enacting into law a bill garnisheeing the wages and salaries of Federal employees, I took up with Mr. Shealey a number of matters affecting national legislation and the National Association.

When I arrived in Washington, I learned that the final meeting of a nine-week course, which comprised a Credit and Collection Forum meeting every Tuesday night in January and February, had scheduled a purely social evening to wind up the very successful project. There were eight business meetings and this one, which I was just in time to attend, was labeled "Pure Unadulterated Fun" and I discovered it to be a new feature of what was otherwise an educational

presentation. When I entered the very pretentious United States Chamber of Commerce Building, where the classes were held, I could not see it as a likely place for a social evening, and later, when ushered into the well-appointed room, which contained about 150 chairs and almost as many people, it still looked like all business to me.

Louis Pomerantz, president of the Retail Credit Association of the District of Columbia, opened the meeting, and his first duties included the awarding of eleven prizes to students who had previously submitted notebooks summarizing the forum. He introduced John Althaus, manager, of The Credit Bureau, who also made some very complimentary remarks, after which John introduced me, having previously warned that I could have no more than fifteen minutes. At the conclusion of my talk, it was a pleasure to award several prizes through the courtesy of the N.R.C.A. I thought the social gathering a rather unusual way to bring a credit school to a close.

#### **Enthusiastic Group Singing**

There was enthusiastic group singing, led by William R. Davies of Lansburgh & Bro., who was Master of Ceremonies and certainly did a grand job. Additional music and several games I hadn't seen before, followed by a generous supply of refreshments, concluded a very pleasant and unusual evening.

When one goes to Washington, it is usually true that important personages are found on every hand. National Director Frank Scott was there, as well as Sam Collegeman, just recently elected vice-president of the 12th District, N.R.C.A. Bernard Feustman, Treasurer, and Josh Stedehouder, Credit Manager, were there from Lansburgh's, and William C. Young, who after 31 years of service with the Washington Gas Light Company, has just been appointed Credit Manager, was on hand to receive congratulations. Washington, always noted for its hospitality, seems to get plenty of practice in having good times, and I know that John Althaus would be willing to tell you more of the details of his party, if you write him.

There was an informal luncheon meeting of the Washington members of the Legislative Committee, which had been called by Mr. Shealey for Friday noon, at the Cosmos Club. That afternoon Mr. Shealey and I visited the Department of Justice, and returning, stopped at the Emergency Hospital to see Abe Coonin of William Hahn & Company, a member of the Legislative Committee, who had undergone an operation a week or so before. He was up, getting along fine, and expected to leave the hospital in a couple of days.

There is considerable talk of Washington in 1950, for the 36th Annual Business Conference of N.R.C.A.

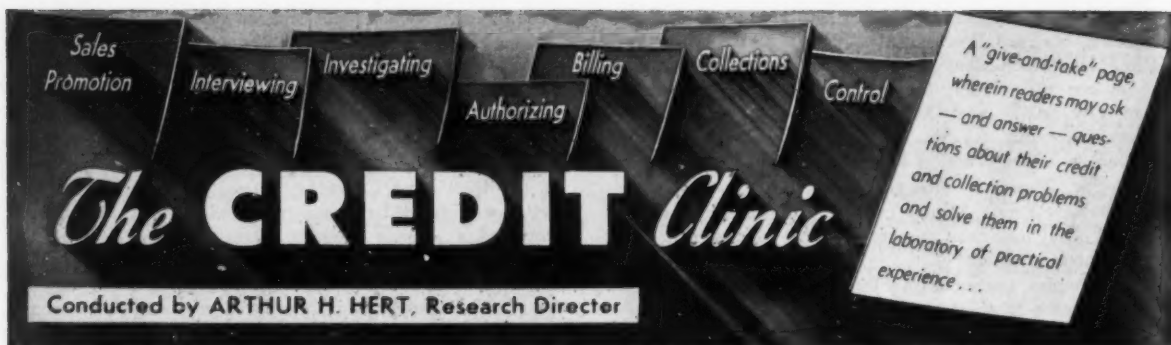
Missed the plane over the Eastern Airlines for St. Louis, and was forced to return by way of Chicago. The 50-passenger plane out of Washington had 33 passengers aboard, and leaving Chicago for St. Louis on the American Airlines every one of the 50 seats was occupied. Had no reservation out of Chicago, so was fortunate that space was available. It was nearly 3:00 A.M. Saturday when I reached St. Louis. ★★★

#### **Positions Wanted**

Credit manager with 23 years of successful experience in large department store operations, desires connection where results are appreciated and recognized. Fully capable of taking complete charge, or can serve as assistant with the right organization. Available at once. Box 474, *The CREDIT WORLD*.

Experienced office and credit manager, capable of taking full charge of any good-sized mercantile business. Location on West Coast preferred. References exchanged. Box 475, *The CREDIT WORLD*.





(Continued from the March CREDIT WORLD.)

## The Question

*How much of the decrease in charge account collections has been caused by the inevitable slowing up of the mailing of customer's bills and the inability to obtain operators for mechanical billing machines?*

## The Replies

**Boston, Massachusetts:** The decrease in collection percentages reflected the last few months has been due to the fact that everyone has been behind in billing on accounts receivable, and when bills do not get out properly, collections will correspondingly be low. In our own case this condition exists.

\*\*\*  
**Charlotte, North Carolina:** For the last four months of 1946, our collection percentages were: September, 68.44; October, 68.46; November, 68.49; and December, 67.72. By comparison, this appears to be a definite gain over the same months for 1938, 1939, 1940 and 1941, but a slight decrease over the percentages for the same months in 1945. We are also experiencing a slowing-up of the mailing of customers' bills because of unprecedented volume, and the inability to obtain competent operators for mechanical billing machines. If we could render our statements on the first of the month, each month, our percentage of collection of the current statements would be considerably larger.

\*\*\*  
**Little Rock, Arkansas:** Our collection percentage for January, 1947, is 3.74 per cent under January, 1946. Most of our business is charge business, we do expect a falling-off, but not to any great extent. We are advising our customers each day that, while Federal Regulations are no longer effective, our terms have not changed, and they will still be expected to pay their accounts in full by the tenth day of the second month. Since removal of the Regulation from open accounts, we reserve the last two days of the business month for pulling and mailing our bills.

\*\*\*  
**Long Beach, California:** We changed our billing system to Cycle Billing in October, 1946. Previously, when a large number of new accounts were being opened, and charge accounts were being used by a high percentage of our customers, our Bookkeeping Department was late in mailing the statements, and the percentage of collection during those months was reduced considerably. The previous average collection percentage on 30-day charge

accounts was 77 per cent. The average of collection when statements are mailed late is 65 per cent. Our new Cycle System has not been in operation long enough to give an average of more than four months. The average for those four months has been 76 per cent. The high being 87 per cent, and the low 69 per cent.

\*\*\*  
**Little Rock, Arkansas:** We have managed, somehow, to have our bills mailed on the first day of each month. Consequently, we could not attribute a lower collection percentage to delay in mailing bills.

\*\*\*  
**Minneapolis, Minnesota:** Minneapolis credit men are of the opinion that the modest lowering of the collection percentage on monthly charge accounts is due to the passing of the "easy money" period. Only part of the group are of the opinion that the partial cessation of Regulation W has adversely affected the collection percentage. The only store in Minneapolis which has had experience in cycle billing is receiving money from customers evenly distributed over the entire month, rather than any substantial amounts being paid between the first and the tenth. The collection percentage of this store holds up to the percentage of other stores.

\*\*\*  
**Portland, Oregon:** When our customers' statements are held up to the 15th or 20th of the month, slowness in collections is inevitably the result. We have not kept an accurate report, but the slow-up in our particular case is around 8 per cent. Recently we transferred from end of the month billing to cycle billing. It is too soon to give an accurate report on it.

\*\*\*  
**San Francisco, California:** Our experience is that collections are "off" about 10% by comparison with the same period last year. Outstanding balance has doubled. This we attribute to the tremendous surge of December buying, and the inability of the Credit Department to mail out statements on schedule. It is difficult to ascertain how much may be attributed to these reasons but a fair estimate would be 50% in each instance.

\*\*\*  
**Salt Lake City, Utah:** In spite of increased business, we have had no slowing-up of the mailing of our statements, and generally get them in the mail on the night of the second. In the case of particularly heavy mailing, the whole office force is thrown into the operation, with results that have been very satisfactory—so this cannot be a contributing factor, as far as we are concerned, in the slowing-up of collections; however, we do note a definite slowing-up.



**Tulsa, Oklahoma:** Our collections have dropped from 10% to 12% and part of it is due to slowing up of the mailing of customers' bills.

★ ★ ★

**Washington, D. C.:** When bills are mailed late it makes the work of the Collection Department difficult. The customer has not received the bill showing the amount rendered. The cashiers receive so much mail that they are very often unable to get the cash in on the date received. January and February collections receive a number of checks improperly dated; when bills go out before the 10th. These can be adjusted in the same month. Some customers tell us that their husbands pay all bills on the 10th of the month, and bills received after that date remain unpaid until the following month.

★ ★ ★

**Wichita, Kansas:** Our statements have gone out each month on the second business day of the month, and our collection response has been better than we thought it could be.

★ ★ ★

**Wichita, Kansas:** We have never failed to have our statements in the hands of our customers on the first of each month for the last twenty years, and have been able to handle our large increase in business by preparing our staff ahead of our expected peak season.

★ ★ ★

**Youngstown, Ohio:** We have been on a cycle billing basis since 1940, and probably because of Regulation W and the general economic situation during the war, our collection percentage has been greater than it was prior to our adoption of cycle billing. About three or four years ago, we established a 90-day account plan and because of certain economies included them in our control for regular 30-day accounts. As a result, our collection percentage is not as comparable today for regular accounts, as it was several years ago. The customer, on the average, will pay his bills in the order they are received; therefore, a store that closes its accounts at the end of the month, and sends its statements out on the first, second or third should, theoretically, have an advantage, from the collection standpoint, over stores on cycle billing.

★ ★ ★

**Worcester, Massachusetts:** The slump in percentage of collections is not on account of delay in rendering bills. There has been a let-down in the morale of the charge customer in view of the high cost of living, discontinuance of control by our National Government on open charge accounts, and, since January, 1947, a tightening of money to meet income taxes, coupled with numerous strikes in this area in the last year.

**To do more business profitably, and to help locate "lost customers," always take a complete credit application from all new accounts and check these through your Credit Bureau.**

## "Declining Requests"

(Beginning on page 6)

blank that he has been refused credit. Instead, we ask him to come in; and if he does this, we talk over his application. In many instances we have been able to make real friends out of customers whose credit requests had to be declined."

In a few cases the additional information presented in person by an applicant actually changes the complexion of the situation and opens the way to credit extension. In a far greater number of cases, of course, there are no extenuating circumstances to account for a poor credit record. But applicants who belong in this latter category seldom accept the invitation to visit the credit office.

Thus the foregoing letter, in most cases, serves the same purpose as an outright declination of credit; yet it contains no statement or implication that could offend the reader. No reasonable person could take exception to a letter expressing thanks for his request and extending a courteous invitation for him to call at the office. The statement that the information on hand "is not entirely complete" achieves a neutral tone and avoids such unflattering negatives as *unfavorable* and *unsatisfactory*.

### Credit Declination Letters

As Mr. Weisskerz has demonstrated, it is quite possible for a credit declination letter to be courteous in tone and constructive in its point of view. And yet the average letter declining a credit application is a sample of retail public relations at their worst. Why? Because the writing of a good letter requires time and effort, and few credit correspondents have been willing to put these two ingredients into it.

There is no necessity for the credit department to humiliate or irritate persons to whom charge accounts cannot be extended. A courteous, tactful letter will keep their good will, and in many cases their cash patronage as well. *Isn't such a letter well worth the time and effort it requires?* ★★



## AN UNUSUAL STICKER

THIS MOST UNUSUAL STICKER has been designed for use by members on all printed forms in connection with credit and collections. In addition, they should be used on letterheads of the credit

department and on statements on which a previous month's balance has been brought forward.

THIS STICKER carries the prestige of the National Retail Credit Association and the slogan "Guard Your Credit As a Sacred Trust," is an excellent educational message. Order a supply today.

SHOWN ABOVE actual size, they are printed in the National's colors, bronze blue on gold gummed paper.

Price, \$2.50 per thousand

**NATIONAL RETAIL CREDIT ASSOCIATION**  
Shell Building St. Louis 3, Mo.

# CREDIT DEPARTMENT

## Letters

W. H. BUTTERFIELD

**N**INE TIMES out of ten the weakest link in a firm's customer relations by letter is its collection correspondence.

Each month thousands of business concerns like yours spend considerable sums of money on promotional mailings designed to bring them business from new customers. But while the promotion department labors diligently to add new names to the customer roster, the collection department on the next floor is equally energetic in its grim pursuit of old customers whose accounts are past due. And unless your collection department is an exception, it is nullifying much of the effort and money expended by your sales promotion staff—and doing so needlessly!

I do not mean, of course, that customers should not be asked to pay their bills just because they might prefer not to be reminded of them. Not at all! But I do mean that collection letters should avoid a tone or phraseology that needlessly irritates their readers. Each month business houses sustain a tremendous loss of customer good will because of poor collection letters. This loss is the product of sheer inefficiency in public relations.

Here, for example, is a collection letter in current use:

Dear Mr. Harris:

Frankly, we cannot understand why it should be necessary to remind you several times of your unpaid account amounting to \$37.10.

We not only provided the merchandise which this account represents, but extended to you the courtesy and convenience of our credit terms. Is it too much to expect that you should attend to your part of our agreement without causing us the expense and inconvenience of writing to you repeatedly about this matter?

Take care of it now, while this letter is before you, and prove that we were not wrong in our judgment when a credit account was opened for you.

Yours very truly,

That's a typical outburst of a petulant collection correspondent. Surely it isn't hard to estimate the effect of such a letter upon customers who receive it. What would be *your* reaction?—even assuming that you had been unusually careless or forgetful in handling your account.

That letter illustrates the offensive tone characteristic of many collection messages in use today. Here is an-

**SEVERAL CREDIT BUREAU** bulletins have reprinted excerpts from Mr. Butterfield's recent article in **PRINTERS' INK**, entitled "Don't Let Collection Letters Unsell Your Customers." Because of the interest of credit executives in this article, it is here reprinted in full through the courtesy of the Printers' Ink Publishing Co., Inc., New York, N. Y.—ED.

other current example—a letter objectionable mainly because of the writer's propensity for negative, unpleasant words:

Dear Mr. Willis:

We can only assume from your failure to respond to our previous letters that you are avoiding payment of your account amounting to \$35.55.

However, before taking other steps, we are granting you the courtesy of this final reminder that your handling of this delinquent account is altogether unsatisfactory.

You will understand, of course, that if you ignore this obligation no course will remain but to collect the account by other methods.

Yours truly,

No normal customer—and even a slow-pay customer may be essentially normal—is going to relish words like *failure, avoiding, delinquent, unsatisfactory, and ignore*.

There is no purpose in presenting other complete examples of business-killing collection letters, although the stack on my desk would more than fill this magazine. Excerpts from some of them are shown on the next page. The whole point is that such letters are being written every day—not in a few isolated instances, but as the common business practice of firms that should know better.

### Keep the Customer's Good Will

Any collection letter, to do its work well, must keep the customer's good will while collecting his account. While this may seem a paradoxical combination of functions, actually it is not. There is no conflict between these objectives. In fact, a letter that preserves the reader's good will stands a far better chance of getting his check than one that merely irritates him. The latter type of message generates actual reader resistance in the form of antagonism.

How is it possible to write a collection letter that will maintain—and perhaps even strengthen—the friendly attitude of the customer toward his creditor? The answer lies in making the letter persuasive and courteous. To get the desired response from its reader, any business letter must present its proposition in terms of *his* interests. The collection letter is no exception. To build customer good will, any business letter must show consideration for the other fellow. Again the collection letter is no exception.

Now let's see how these principles work when applied to the task of collecting accounts by mail. Let's examine a couple of collection letters that produce for their users. Both messages bring in checks on a large percentage of past-due accounts; both do a good customer-relations job by conveying a spirit of cordiality and service.

(Turn to "Credit Department Letters," page 29.)

# Some Horrible Examples

Let me ask you these questions, man to man:  
Can you take any pride in the way you have  
handled your account with us? Honestly now,  
don't you think we've got a right to object  
to the way you have treated us?

Having accepted your promise to pay believing it was  
made in good faith, we now recognize that we were mistaken, and  
accordingly we shall proceed in a different manner.

Frankly, we find it hard to understand  
your attitude of complete indifference  
toward your obligation to us.

You have either forgotten or ignored your promise to make  
regular payments on your account, and we are surprised at  
your failure to keep your word.

Why not pleasantly surprise us by paying  
this account and proving your willingness  
to meet your agreed obligations?

No effort has been made by you to comply with our  
requests: we therefore assume that you feel warranted  
in treating us with contempt.

I now tell you in all friendliness that unless  
you see me personally, or remit \$50.00 within  
three days from date, then definite action will  
be taken to close your account, and I am not  
joking.

Silence gives the impression that you do not intend  
to pay. If within ten days we are not otherwise  
informed, you surrender all rights to dispute any  
portion of the account at a later date.

Your failure to reply to our recent letter,  
asking you to kindly make your regular pay-  
ment on account, now past due, has led us to  
believe that you are intentionally evading  
payment.

If all of our customers made us wait for our money  
as long as you have, how do you think we would stay in  
business?

We have tried to be courteous about this  
matter. Is it too much to expect you to  
do the same?

Your apparent indifference toward our numerous requests  
for payment leave us no choice but to believe you are  
wilfully withholding payment of the above account.

We are particularly sorry to see your account  
become so delinquent. We remember the credit  
report, which was hardly up to our standards,  
but had hoped by giving you an account you  
might be able to improve your credit standing.

BEFORE CREDIT WAS EXTENDED TO YOU, WE MADE AN  
INVESTIGATION AND IT WAS REPRESENTED TO US  
THAT YOU WERE A RELIABLE PERSON AND COULD BE  
DEPENDENT UPON TO CARRY OUT AN AGREEMENT.



# Business Conditions and Outlook

## ● Business Above Last Year and Near Postwar Peak ●

THE NEW YEAR has started off well, and the volume of business during the first two months has been maintained at a somewhat higher level than it was a year ago. When adjustment is made for the usual seasonal changes, the current rate of business activity will be very close to the highest ever reached. Some signs of hesitation have appeared in several lines of industry, and in some communities, but they have not yet seriously affected the general average. Many indications point toward a continued high rate, even though readjustments can be expected which will tend to slow down further expansion.

THE TOTAL VOLUME of business, which includes both industrial production and commercial transactions, has remained at about the same level, in comparison with a year ago, as has prevailed for several months. In some respects the situation is just the opposite from what it was a year ago, since now factory output is gaining over retail sales and the service industries. The additional amounts of goods now coming on the markets will have considerable effect on the course of prices and sales during the coming months. Readjustment to a sound and more permanent basis can be expected throughout this year.

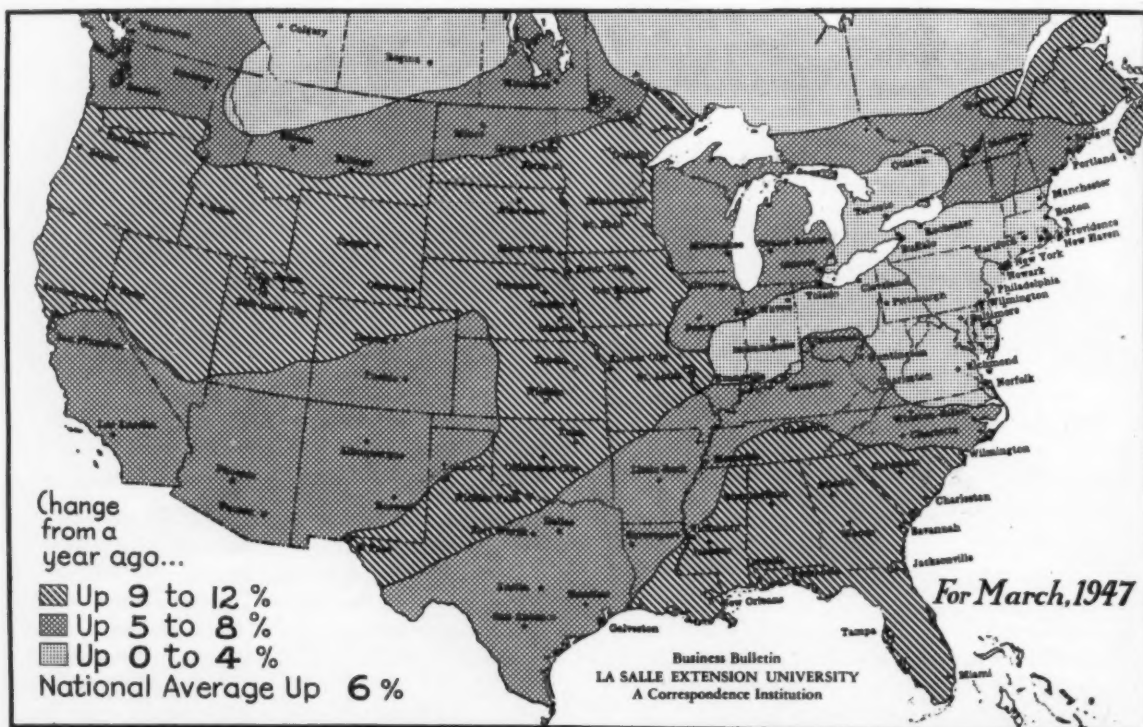
THE VARIATIONS among different parts of the country are becoming somewhat greater than in recent months, but the general contrast between the agricultural regions and the industrial districts is about the same as it has been. In both areas business is better, but the increases have been

greater among farmers and in the cities in rural areas than they have been in industrial centers.

BUSINESS is lagging in the eastern part of the country and around the Great Lakes, both in the United States and Canada. Factory output has increased but this expansion is not yet fully reflected in the volume of trade. Industrial pay rolls have risen, however, and if the trend continues, will stimulate enough business in those areas to bring it close to the national average before long.

CONDITIONS are good in the Pacific Coast region and gains over previous years have become somewhat less in several places. The northern half of the region is slightly better than the southern half, but the differences are not great. Some of these variations are due to the somewhat spotty conditions there last year. Throughout the territory the shift from the large war industries to peacetime production has been made much more smoothly than was generally expected.

IN CANADA, both the volume of business and industrial production have risen somewhat from the low point of a few months ago, although the variations among different sections of the country are rather large. Business is somewhat better in the agricultural districts than in the industrial areas, but the contrasts are becoming less marked. The outlook has become more favorable, and activity is approaching close to the highest peacetime level.—BUSINESS BULLETIN, La Salle Extension University, Chicago, Ill.



# Monthly CREDIT STATISTICS



CONSUMER CREDIT outstanding at the end of January is estimated at 9,790 million dollars, representing a decline of 174 millions during the month. The reduction was due principally to the seasonal declines in charge account indebtedness and in instalment sale credit other than that arising from automobile sales.

Instalment loans outstanding increased by about 3 per cent in January, a considerably smaller rise than in other recent months. At the end of the month instalment loans were approximately one billion dollars higher than a year earlier.

Instalment credit outstanding on automobile sales continued to increase in January. Other instalment sale credit outstanding declined slightly in January.

Charge accounts receivable, which customarily show a sharp decline in January, decreased less than 10 per cent and were about three-fifths larger than on January 31 last year.

## Ratio of Collections to Accounts Receivable<sup>1</sup>

MONTH	INSTALMENT ACCOUNTS				CHARGE ACCOUNTS
	DEPARTMENT STORES	FURNITURE STORES	HOUSEHOLD APPLIANCE STORES	JEWELRY STORES	DEPARTMENT STORES
1941					
December	20	11	12	23	46
1942					
June	22	14	13	22	56
December	31	18	15	30	65
1943					
June	29	21	21	33	62
December	35	22	22	55	63
1944					
June	31	24	28	30	63
December	36	23	39	49	61
1945					
June	32	23	43	33	64
December	36	24	48	46	61
1946					
June	33	26	55	32	60
December	35	26	47	44	54
1947					
January	29	22	44	26	52

<sup>1</sup>Ratio of collections during month to accounts receivable at beginning of month.

## CONSUMER INSTALMENT SALE CREDIT, EXCLUDING AUTOMOTIVE

[Estimated amounts outstanding. In millions of dollars]

END OF MONTH OR YEAR	TOTAL EXCLUDING AUTO-MOTIVE	DEPARTMENT STORES AND MAIL-ORDER HOUSES	FURNITURE STORES	HOUSEHOLD APPLIANCE STORES	JEWELRY STORES	ALL OTHER RETAIL STORES
1941	1,805	469	619	313	120	284
1942	1,012	254	391	130	77	160
1943	641	174	271	29	66	101
1944						
June	515	138	237	15	44	81
December	635	184	269	13	70	100
1945						
June	532	151	237	11	49	84
December	676	198	283	14	74	107
1946						
June	699	210	299	17	63	110
December	1,017	338	366	29	124	169
1947						
January	986	337	351	28	115	155

## DEPARTMENT STORE SALES BY TYPE

(Percentage of total sales)

YEAR AND MONTH	CASH SALES	INSTALMENT SALES	CHARGE-ACCOUNT SALES
1941—January	49	8	43
December	53	6	41
1942—June	56	5	39
December	61	5	34
1943—June	60	4	36
December	65	4	31
1944—June	63	3	34
December	64	4	32
1945—June	63	3	34
December	64	4	32
1946—June	59	4	37
December	57	5	38
1947—January	57	6	37

## TOTAL CONSUMER CREDIT, BY MAJOR PARTS

[Estimated amounts outstanding. In millions of dollars]

END OF MONTH OR YEAR	TOTAL CONSUMER CREDIT	TOTAL INSTALMENT CREDIT	INSTALMENT CREDIT				SINGLE- PAYMENT LOANS	CHARGE ACCOUNTS	SERVICE CREDIT
			SALES CREDIT			LOANS			
			TOTAL	AUTOMOTIVE	OTHER				
1941	9,899	5,924	3,744	1,942	1,802	2,180	1,601	1,764	610
1942	6,485	2,955	1,491	482	1,009	1,464	1,369	1,513	648
1943	5,338	1,961	814	175	639	1,147	1,192	1,468	687
1944									
January	4,968	1,857	742	169	573	1,115	1,145	1,294	692
June	5,168	1,840	706	192	514	1,134	1,242	1,370	716
December	5,777	2,039	835	200	635	1,204	1,251	1,758	729
1945									
January	5,486	1,972	777	192	585	1,195	1,246	1,534	734
June	5,697	1,987	719	188	531	1,268	1,420	1,544	746
December	6,734	2,365	903	227	676	1,462	1,616	1,981	772
1946									
January	6,505	2,363	877	235	642	1,486	1,659	1,701	782
June	7,762	2,908	1,035	336	699	1,873	1,697	2,327	830
December	9,964	3,992	1,561	544	1,017	2,431	2,065	3,054	863
1947									
January	9,790	4,059	1,567	581	986	2,492	2,107	2,768	866

# LOCAL ASSOCIATION *Activities*



## OTTAWA, ONTARIO, CANADA

At the annual meeting of the Credit Granters Association of Ottawa, Canada, held in January, the following officers were elected: Honorary President, G. Scott Murray, Murphy Gamble Ltd.; President, Mrs. Françoise Chateauvert, C. Caplan Ltd.; First Vice President, Emmett Murray, A. J. Freiman Ltd.; Second Vice President, Miss Barbara Dunnet, Charles Ogilvy Ltd.; Treasurer, Gerald Betts, Welch & Johnston; and Secretary, F. A. Matatall, A. J. Freiman Ltd.; Directors: Miss Frances Reid, Burkholder Furs; Alma Bartolotti, McKerracher Wanless; Gerald Charron, Larocque Reg'd.; Ward Neild, Industrial Acceptance Corp.; P. Skrypnik, Morris Motors; Avery Sainthill, Independent Coal Co.; and Cecil Leach, Leach Furniture.

## BALTIMORE, MARYLAND

At the annual meeting of the Retail Credit Association of Baltimore the following officers and directors were elected to serve for the coming year: President, Ellis A. Epstein, Hochschild, Kohn & Co.; Vice President, Harold A. Benson, Gomprecht & Benesch; Treasurer, Bernard Huffman, Mayer's, Inc.; and Secretary, John W. Mehling, Credit Bureau of Baltimore. Directors: Mrs. Mary Burney, Isaac Hamburger & Sons; Arthur D. Littlepage, Littlepage's Furniture Store; H. Lee Muse, Consolidated Gas, Electric Light & Power; Eugene J. Sapp, Howard Clothes, Inc.; Samuel M. Trott, Fidelity Trust Co.; and Leonard Wennagle, Equitable Trust Co.

## CEDAR RAPIDS, IOWA

The following officers and directors were elected at the annual meeting of the Cedar Rapids Retail Credit Association: President, Donald McCormac, Iowa Adjustment Co.; Vice-President, Inez Fisher, Luberger Co.; Treasurer, Hope Schultz, Morris Plan Co.; and Secretary, Ralph E. Walker, Credit Guide & Adjustment Co. Directors: William A. Koster, Newman's; Josephine E. Hexdall, The Killian Co.; Frederick E. Fluegel, Iowa Adjustment Co.; Wilson Carpenter, Citizens Loan Co.; H. Hamilton Morse, Armstrong Clothing Co.; Ray H. Spielman, Kenwood Transfer Co.; and Frank O. Mekota, Peoples Savings Bank.

## SPOKANE, WASHINGTON

At the annual meeting of the Spokane Retail Credit Association, the following officers and directors were elected: President, Jack Pengelly, C. E. Carlson Co.; Vice-President, Harry E. Jones, Old National Bank of Spokane; Treasurer, Elmer Rongren, M. M. Jewelers; Secretary, N. M. MacLeod, Spokane Credit Men's

Rating Bureau; and Assistant Secretary, M. T. Warrick, Spokane Credit Men's Rating Bureau. Trustees: Jo Wilson, Pratt Furniture Co.; Robert F. Sturdevant, The Crescent; I. S. Berg, Monroe Street Lumber & Fuel Co.; Neil Davis, Washington Water Power Co.; Charles Adams, John W. Graham Co.; and Royal Peterson, Owen's Specialty Shop.

## DISTRICT SEVEN AT OKLAHOMA CITY

At the seventh district conference held in Oklahoma City, Okla., February 16, 17, 18 and 19, the following officers and directors were elected: President, Royce Sehnert, *Wichita Eagle*, Wichita, Kansas; First Vice-President, Sam L. Fogel, Woolf Bros., Kansas City, Mo.; Second Vice-President, R. Yost McKinney, Samples, El Dorado, Ark.; and Secretary-Treasurer, Mrs. Frances R. Smith, Hunt Dry Goods Co., Fort Smith, Ark. Directors: G. Wayne Prendergast, Mueller's Flowers, Wichita, Kansas; K. W. Storey, Chrisman's, Joplin, Mo.; Earl Beard, National Bank of Tulsa, Tulsa, Okla.; and Walter M. Hale, Hale's Men's Store, Pine Bluff, Ark. R. C. Warren, Ark. Power & Light Co., Pine Bluff, Ark., was elected National Director and Ben E. Leyerle, Okla. Gas & Electric Co., Oklahoma City, Okla., was elected alternate National Director.

## MIAMI, FLORIDA

Officers and directors recently elected by the re-organized Retail Credit Men's Association of Miami, Florida, are as follows: President, Guyland A. Grange, Richard's Department Store; Vice-President, Victor Wright, Frank T. Budge & Co.; Treasurer, Mrs. Marie Whaler, Miami Industrial Bank; and Secretary, Mrs. Frances Witten, Eleanor's. Directors: H. D. Jarvis, Burdine's; Grant Orr, Shaw Brothers Oil Co.; and R. P. Alley, Sears Roebuck & Co.

## SALT LAKE CITY, UTAH

The Associated Retail Credit Men of Salt Lake City, Utah, elected the following officers and directors for 1947: President, Ted Press, Utah Power & Light Co.; Vice-President, Eldon Taylor, Glen Brothers Music Co.; Treasurer, Roscoe Grover, First National Bank; and Secretary and Executive Vice-President, Harry P. Earl, Credit Bureau. Directors: Vernon Best, Utah Oil Refining Co.; Harold Lambert, Burton Lumber & Hardware Co.; Wendell Romney, Z.C.M.I.; Frank Foulger, L.D.S. Hospital; Harold Gloe, Morrison-Merrill & Co.; Roscoe Grover, First National Bank; Grace Jones, Auerbach Co.; Ted Press, Utah Power & Light Co.; and Eldon Taylor, Glen Brothers.



# SALES Promotions



## Suppose We Look Ahead

EVEN THOUGH we read currently of the possible letdown in business activity, there is a general over-all improvement in the supply of merchandise. Two trends are noticeable: Buyers are becoming critical, and credit predominates as the means of buying. Instalment credit is steadily increasing.

Now is the time to set up your promotion campaign for the sale of that hard-to-get merchandise, which may be coming into the markets soon in larger quantities than many of us realize. This large ticket merchandise, generally sold on the deferred payment plan, may need some real sales promotional efforts.

In his recent report to the President, John D. Small, in charge of Civilian Production Administration, states:

**"Radios**—Shipments of civilian radios in October, 1946, increased to 1.8 million units from 50,000 in November, 1945, and were 68 per cent above the 1940-41 average monthly rate of 1.1 million sets.

**"Electric Ranges**—The October level reached 75,000 units, or 59 per cent above the 1940-41 average monthly rate of 47,000 units.

**"Washing Machines**—October, 1946, shipments increased to 265,000 units—more than six times the October, 1945, level of 40,000 units, and were 68 per cent above the 1940-41 monthly rate of 158,000 units.

**"Vacuum Cleaners**—October shipments of 266,000 vacuum cleaners showed an increase of 64 per cent above the average of 1940-41 monthly rate of 156,000 units. With the exception of May, shipments have shown a consistent substantial increase from month to month.

**"Electric Flatirons**—Production of electric irons has increased steadily since V-J Day; September, 1946, shipments reached 697,000 units, or more than triple the October, 1945, shipments of 212,000 units, and 83 per cent above the 1940 average monthly rate of 380,000 units.

### Shipments of Refrigerators

**"Refrigerators**—October shipments increased nearly three-fold to 233,000 units from 85,000 units shipped in October, 1945, but were still 9 per cent below the 1940-41 monthly average of 309,000.

**"Gas Ranges**—Shipments of gas ranges increased 122 per cent from 83,000 in August, 1945, to 185,000 in October, 1946. The October rate was 13 per cent above the 1940-41 average monthly production of 163,000."

Most of this merchandise has been, and will continue to be distributed on the deferred payment plan. Within specified price ranges, the sale of this type of merchandise is still covered by Regulation W. We can foresee the time when production will catch up with demand and there will be a lessening of credit requirements. The

housing situation, once considered critical, is likely to show substantial improvement during 1947. With houses available, the need for furnishing them will arise. There will be a demand for furniture, carpets, rugs and all merchandise generally classified as deferred payment sales.

With the increase in production, the increase in competition for distribution of these products will follow. Your customers are not going to be your customers if someone else is right there on the front doorstep ahead of you; so line up your potential outlets for this merchandise.

What does all this mean to credit sales promotion efforts? Now is the time to set up your campaign for your share of this business. (The total of consumer credit outstanding is reaching new high figures and will continue to mount as increased production flows into the markets. Your customers are again seeking credit. The alert credit sales-minded executives should be prepared to procure their share of this business. *Look over your deferred payment customers of the past; you may need a great many of them soon!*—Clarence E. Wolfinger, *Credit Manager*, Lit Brothers, Philadelphia, Pennsylvania. ★★★

## Are You Guilty of Neglect?

IF CRIME does not pay, and we all admit it does not, what have we to say in recommendation of neglect? Neglect can generally be considered to mean the intentional or unintentional failure to do something for someone who has a right to expect it.

Charge and deferred payment customers are often neglected, and as a result there are many good opportunities lost. For instance, there is the opportunity to learn of those minor infractions of service that too often result in strained relations. Buying habits of customers change when dissatisfactions occur. They use you as the pattern for avoiding similar experiences elsewhere.

Then there is the opportunity to sell more merchandise to that customer through solicitation. Most of us like to hear someone say, "I have not seen you for a long time. Where have you been? How are you?" Does not that sound good to you? Just imagine how important customers feel when you say it to them!

Finally, there is that opportunity, at an early date, to clear our files of accounts which are likely to be closed permanently—a continual house cleaning process. Any program which regularly follows up the inactive accounts should pay for the efforts. A definite campaign to revive inactive accounts should be part and parcel of every Sales Credit Department; for it is easy to lose old customers and difficult to get new ones. —Clarence E. Wolfinger, *Credit Manager*, Lit Brothers, Philadelphia, Pa. ★★★

# Collection Scoreboard

Compiled by the Research Division

January, 1947

January, 1946

CITIES	DEPARTMENT STORES (Open Accounts)						DEPARTMENT STORES (Installment Accounts)						WOMEN'S SPECIALTY STORES						MEN'S CLOTHING STORES					
	1947			1946			1947			1946			1947			1946			1947			1946		
	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.	AV.	HI.	LO.
Atlanta, Ga.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Baltimore, Md.	49.7	52.0	46.6	55.9	60.9	46.6	30.4	37.6	22.5	32.5	47.7	23.0	49.3	56.1	38.6	57.6	63.9	50.0	—	58.9	—	—	57.6	—
Birmingham, Ala.	52.6	58.9	49.1	62.8	67.2	57.9	37.4	43.2	30.5	41.0	43.1	40.3	51.8	52.5	41.0	53.6	59.2	48.0	52.5	59.3	47.1	66.5	71.0	61.0
Boston, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Cedar Rapids, Ia.	71.2	80.0	57.5	68.6	84.0	65.6	—	29.2	—	—	29.4	—	—	—	—	—	—	—	74.0	77.1	70.9	87.4	97.0	77.9
Cincinnati, Ohio	54.2	64.7	42.6	62.5	71.7	42.9	26.4	32.8	20.5	49.7	53.5	11.0	56.2	56.4	56.1	63.1	66.7	59.5	55.0	59.2	50.9	58.1	66.6	49.6
Cleveland, Ohio	54.3	59.5	31.6	60.6	64.3	55.7	33.2	37.5	32.2	38.3	41.3	36.7	—	55.4	—	—	60.0	—	55.1	85.6	32.9	69.4	83.1	43.3
Columbus, Ohio	—	56.3	—	—	61.4	—	—	23.9	—	—	31.3	—	—	62.6	—	—	71.0	—	—	—	—	—	—	—
Davenport, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Denver, Colo.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Des Moines, Ia.	57.4	57.5	57.3	65.7	67.8	63.6	—	34.5	—	—	36.5	—	54.2	61.5	48.6	60.4	68.5	54.1	69.5	75.0	63.7	66.3	72.2	60.5
Detroit, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Grand Rapids, Mich.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Kansas City, Mo.	57.4	68.8	46.0	23.7	25.4	22.0	23.7	25.4	22.0	29.3	30.0	28.6	66.5	76.1	55.5	70.9	81.4	57.0	66.5	76.1	55.5	70.9	81.4	57.0
Little Rock, Ark.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Los Angeles, Calif.	57.7	62.0	52.1	69.2	73.4	63.0	33.5	38.0	29.3	—	—	—	57.7	63.4	52.0	60.0	68.5	51.5	68.0	76.3	59.6	71.3	74.0	64.8
Louisville, Ky.	49.2	49.4	49.0	61.2	61.5	61.0	23.7	32.9	16.0	24.7	31.4	18.7	51.9	57.7	46.8	57.1	58.5	55.2	51.9	56.8	49.2	64.8	75.0	53.0
Lynn, Mass.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Milwaukee, Wis.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Minneapolis, Minn.	65.6	74.6	55.7	77.8	82.2	72.7	43.7	70.3	28.0	42.3	46.2	40.7	68.4	74.6	62.2	76.2	76.4	76.0	66.6	72.6	58.6	73.4	82.8	62.4
New Orleans, La.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
New York, N. Y.	57.2	79.6	44.6	61.8	77.2	46.3	25.6	44.4	18.3	30.3	42.4	19.9	50.1	54.1	46.1	54.1	55.4	52.7	57.2	64.4	50.0	65.1	73.0	58.0
Oakland, Calif.	59.5	61.7	54.3	64.6	71.6	59.7	35.3	58.0	27.2	42.3	60.2	30.0	52.5	59.1	46.0	58.5	65.8	51.2	57.5	64.3	42.0	66.6	70.0	44.0
Omaha, Neb.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Pittsburgh, Pa.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Providence, R. I.	51.3	57.2	46.0	55.1	61.0	49.0	—	22.0	—	—	30.4	—	—	—	—	—	—	—	—	—	—	—	—	—
St. Louis, Mo.	63.8	70.7	58.3	71.3	76.3	68.0	37.3	40.4	38.6	37.7	40.9	37.0	52.6	58.5	46.7	62.6	70.1	55.2	59.4	64.0	63.0	67.8	74.4	63.0
Salt Lake City, Utah	74.7	74.7	74.7	79.0	80.8	77.2	29.8	32.9	26.7	—	30.1	—	66.1	73.8	58.6	77.6	102.5	65.0	—	—	—	—	—	—
San Francisco, Calif.	52.1	54.0	32.7	56.7	65.9	53.2	32.3	46.7	30.0	38.3	62.8	32.7	48.5	52.4	34.3	54.0	60.8	46.9	50.0	58.6	45.3	59.2	66.4	53.0
Santa Barbara, Calif.	67.2	74.9	62.5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	70.5	77.0	60.8	—	—	—
Sioux City, Ia.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Spokane, Wash.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Springfield, Mass.	59.4	61.6	57.1	57.5	70.3	64.6	35.1	45.3	24.8	39.6	50.8	28.3	—	74.8	—	77.4	—	—	59.2	—	—	61.1	—	—
Toledo, Ohio	53.7	54.0	46.1	59.0	63.0	58.8	27.6	29.0	23.2	29.0	29.7	27.1	56.0	58.6	55.1	57.6	58.1	57.1	51.0	52.0	50.0	51.0	52.0	50.1
Tulsa, Okla.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Washington, D. C.	47.2	53.7	42.9	51.2	56.1	45.0	22.6	25.6	17.4	25.4	27.3	22.5	—	—	—	—	—	—	—	—	—	—	—	—
Worcester, Mass.	50.0	50.8	49.5	57.1	58.4	55.8	39.5	52.1	27.0	45.9	61.3	30.5	54.0	60.0	37.9	60.0	61.0	50.8	—	52.0	—	—	60.0	—
Youngstown, Ohio	54.2	59.6	48.8	58.6	66.5	50.7	28.3	30.1	26.6	27.1	30.0	24.2	—	—	—	—	—	—	62.0	69.0	55.0	47.0	63.0	31.0
Ottawa, Ont.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Vancouver, B. C.	—	91.5	—	63.3	—	—	30.6	34.0	27.2	32.2	34.0	30.3	—	—	—	—	—	—	—	—	—	—	—	—
Victoria, B. C.	72.8	87.9	57.8	71.4	75.2	67.6	37.4	42.0	32.9	44.3	50.1	38.5	—	—	—	—	—	—	—	—	—	—	—	—

WE ARE OFTEN ASKED how the average, high and low figures in the above table are calculated. These average, high and low percentages in the majority of cases, are sent to us prepared by the Secretary of the Local Unit or Bureau Manager in the above indicated cities. Questionnaires are mailed by the Bureau Manager or Secretary and the information requested might be returned in dollars and cents or in percentage form. When received in dollars and cents form the total amount collected for stores in the same line of business is divided by the total amount of credit business outstanding during the month for these same

stores. This figure represents the average for all stores in that particular line of business and it is a simple matter to pick out the highest and lowest figures.

When these data are reported in percentage form by the stores, the figures are arrayed in descending order of their magnitude and the middle figure in the array is considered the average. The highest and lowest figures in the array are then determined. In instances where the percentages are sent to our Research Division by the Bureau Manager or Secretary, to be arrayed, the same procedure is followed.

Arthur H. Hert.

# Womanly Women

WOMEN HAVE ADVANCED a long way in the last century, in the fields of art and science and in the business and professional world their recognized successes are numerous. They have taken their place out in front on the world's stage, and their roles are interesting and varied. During the war women were called upon to do their manly part; such as riveters, mechanics, parachute makers and as taxicab drivers. They responded wonderfully in every field where it was necessary for women to replace men.

Today, in order to help restore the social order of things and to help right the wrongs that are rampant; there is need for women to do their womanly part. What is a womanly woman? She is gentle and sympathetic, considerate of the rights and feelings of others, self-sacrificing, she brings dignity to the occasion that requires it, she has an educated mind and, above all, an educated heart, having reverence for things spiritual and professing a deep faith in God.

Willing or not, each one of us has an obligation to play our womanly part in the crusade to induce a better understanding and a kindlier feeling among all peoples. Whether we are 16 or 60, we all have not only an opportunity but a duty to make the niche we occupy, just a little better for our having been in it. In all our actions we influence, in some manner, those with whom we come in contact. We cannot be neutral. We leave those whom we meet either better or worse for having met us. The members of the Credit Women's Breakfast Clubs of North America have an unusual opportunity for helping a great number of persons if they will but cultivate a listening ear and a sympathetic heart.

## Post-War Bad Manners

We hear so much of post-war bad manners and lack of courtesy; the abrupt speech and indifferent manner of those engaged in public service, in both high and low positions. What can we do about it? As individuals, your efforts or mine alone would be futile; but, if you and I with 7,000 other credit women of the United States and Canada, would make a concerted effort to stress courtesy and consideration for others, in our credit departments; we could accomplish much in helping to restore pre-war manners and pre-war courtesy. Each customer would carry away from our interview a friendly feeling, and that feeling would naturally be shared with someone else.

Just think of the different types we interview in a year's time; young and old, rich and poor, some with wealth and position, others struggling to work out a budget to pay for the electric refrigerator or junior's baby carriage; the young girl buying her first (and perhaps too expensive) fur coat; and those young widows whose husbands never came back from the Battle of the Bulge, Leyte or the Philippines. We have countless opportunities in our profession to exercise the qualities characteristic of womanly women. We have the young business girl in our credit departments to consider as one of our special responsibilities. We who have spent a longer time in the credit profession, owe her an example that she will profit by and respect; an example that will help her (with all

## "Credit Department Letters"

(Beginning on page 22.)

The first one is a letter used by the Cabin Creek Consolidated Sales Company, Cincinnati, Ohio:

Dear Mr. Warren:

Bills have a way of accumulating on a person. If you let one become past due, it won't be long until there are several of them, and then they are increasingly difficult to settle.

Your credit is a wonderful asset—well worth protecting. And we sincerely want to co-operate with you toward keeping it in good standing.

Won't you get in touch with us at once about your account, and tell us frankly when you can make payment? Or better still, get it off your mind right now by sending your remittance of \$41.85.

You'll feel better—and we'll certainly appreciate your co-operation.

Sincerely yours,

The foregoing letter is courteous and considerate throughout. Its tone is friendly, and it uses no words or phrases that could possibly irritate the reader. Equally important, it stresses the value of sound credit in a way that gives the customer an incentive to pay his bill.

## The Second Letter

The second letter is used by the Kresge Department Store, Newark, New Jersey:

Dear Mrs. Butler:

A good credit rating is like the "Sterling" mark on silver—it is the measuring line by which you are judged by other merchants.

Charge accounts today are based on standard monthly terms. Probably you haven't realized that your account is so long past due, and that the rules of the Merchants Credit Bureau require us to report all accounts that continue unpaid. We feel sure you would not knowingly permit your name to be included in this classification.

Your patronage here is appreciated, and we enjoy serving you. Won't you reciprocate this friendly feeling by sending us your remittance today? The amount is \$32.15.

Sincerely yours,

There is nothing timid or indecisive about this letter. It gives the reader a clear picture of what she will gain by paying her bill, and of what she may lose by not paying it. At the same time, the letter is courteous and friendly. It contains no evidence of peevishness, no trace of harsh language.

The first requisite of good collection writing is the realization that the other fellow is human, too—even the one who is slow in meeting his obligations. He will be far more likely to pay up if he is treated with courtesy, if he is shown that payment of his account will actually benefit *him*.

By practicing this simple but sound philosophy, the collection department can actually become a customer-relations asset to its firm. A good collection letter does an effective selling job. *Did you ever hear of a salesman who achieved success by shaking his fist at his customers?*

the added advantages of these times) to become a better credit woman than her predecessor. To the credit women of the 20th century then, belongs the responsibility of upholding the high ideals of faith, vision and courage, so badly needed today, realizing that to be a womanly credit woman is really worth while.—Mary A. Wall, The Crosby Brothers Co., Topeka, Kansas. ★★★



# Granting Credit in Canada

J. H. SUYDAM . . . Canadian Correspondent

## COOPERATION

C. B. Flemington, A.C.I., Assistant Manager, Credit Bureau of Toronto

An address before a meeting of the Lakehead Credit Bureau, Port Arthur, Ontario

SINCE the rescinding of Order No. 225, we of the credit profession have been confronted with many questions. We have suddenly felt the jolt of an intangible something which has reduced an era of comparative ease, in matters pertaining to credit and collections, to one of challenge. We are as if caught in a whirlpool, while being called upon to decide what our future course is to be—not months from now—not tomorrow—but now. We are anxious that what we do should be constructive, ethical, and should be for the greatest good of all concerned. The selfishness and indifference of the war years must disappear. We must create an economy worthy of the sacrifices of our sons and daughters, our brothers and sisters; so to that task let us apply ourselves, setting our sails into the wind and taking courage.

### *This Is a New Day*

This is a new day, and we, as individuals and as groups, should realize the significance of our part in it. During the war years, we were all subject to strain and stress; it is easy under such circumstances to forget. But, do we realize that it was only the advent of war that brought us out of a depression? Have we forgotten the bread lines and the soup kitchens—the thousands of men, women and little children who suffered privation and hunger in a land of plenty? Are we determined that never again shall such a spectre invade this country of ours? We thank God that the war is over but what are we going to do about it? Are we going to revert to the same old pre-war standards, or have we learned from the bitterness and bloodshed that there is another way?

The contributing factor to all unrest is absence of security. Considered in its broadest sense: international unrest, national unrest, individual unrest. The reason is that we haven't given sufficient thought to the other fellow—just the old ogre of selfishness raising its ugly head. The one factor which contributed most to the winning of the war was cooperation; cooperation of nations already allied in a great crusade; cooperation of their army staffs in planning maneuvers and invasions; cooperation of individuals; sailors, soldiers and airmen, civilians too; of all the United Nations in a common cause.

Through conferences of foreign secretaries and meetings of the United Nations' Council much has been accomplished toward rebuilding a war-torn world. Although differing in languages and customs, nations have found common ground and understanding. While it is being universally recognized that one nation cannot progress to the detriment of another; because all true progress comes from the heart. Surely, we credit men and women can discard old ideas of mistrust and find a new freedom through cooperation. The success achieved by

the allied nations in bringing the war to a successful close was due largely to the cooperation extended on both the home and the battle fronts. This cooperation must be continued in the post-war period, if the fruits of victory are to justify the price we have paid.

Competition and cooperation in business are not irreconcilable; both have their places. This has been strikingly exemplified in the operation of credit bureaus and associations. The benefits derived are out of all proportion to any loss suffered, or expense incurred, through deviation from the narrow path of individualism, formerly considered so necessary to success. Credit granters who exchange information through credit bureaus create a vast reservoir from which drawings are worth considerably more than the individual contribution. This value is represented by reduced bad debt losses and the improvement of collections brought about through the realization by the public that bills must be paid promptly, if credit is to be obtained.

Individuals in the various bureau centres have formed local associations of the Credit Granters' Association of Canada. The status of credit executives is increasingly recognized and appreciated by the firms they represent. It is theirs to encourage active participation in all matters pertaining to consumer credit extensions; it is ours, as credit men and women, to equip ourselves with the knowledge and desire that will form a worthy contribution to the welfare, not only of our local unit, but of our country at large. Mutual interchange of credit information is a term which when used may accomplish much or little; the result depends on our degree of cooperation. Give the most and expect the most in return.

### *What Does the Individual Expect?*

What does the individual expect of the State? or what do we expect from our elected representatives? Generally speaking, is it not a clear understanding of this country's problems from east to west? that all legislation may be equitable; that due recognition be given human need in all its forms; that discrimination be non-existent, so that all may share equally the rights of citizenship, regardless of race or creed; that our country may always be fair in her dealings with other lands and peoples; and that the minority everywhere may be shown due privilege and understanding. In return the State has a right to expect us, not simply to act as blind patriots, shouting: "My country right or wrong—but right or wrong my country," but rather to respect its laws, accepting our full responsibility as citizens in the drafting of those laws. *This cannot but create that bond of closer cooperation which means so much to us all and tends toward unity of achievement.* ★★★



IN AN EFFORT to secure government efficiency President Truman has ordered federal agency heads to discharge incompetent workers. Contrary to popular belief, the White House said, federal officials "can and do" dismiss inefficient employees, as over 100,000 workers were discharged during the last fiscal year for cause. Executive order becomes effective May 1.

★★★  
**INSTALMENT ACCOUNTS** receivable at furniture and jewelry stores showed less than the customary decrease in January. The amount outstanding at furniture stores on January 31 was 29 per cent higher than on the corresponding date last year, while at jewelry stores the increase was 74 per cent. Household appliance store accounts receivable declined somewhat in January, but continued far above the year-ago level. The January collection ratio on instalment accounts at jewelry stores showed the customary sharp decrease from December, and amounted to 26 per cent as compared with 32 per cent a year ago. At furniture and household appliance stores collection ratios also declined, and were 22 per cent and 44 per cent, respectively.

★★★  
**THE NATION'S RETAIL STORES** must sell 100 billion dollars worth of goods annually to keep pace with present day production and to maintain America's standard of living.

★★★  
**DEPARTMENT OF COMMERCE** has announced the publication of a new booklet "Guides for New World Traders," which helps businessmen set a sound and intelligent course toward profitable exporting and importing. Purpose of the book is to cite reliable sources of information and advice that are essential in gaining a fundamental knowledge of the techniques of trading abroad.

★★★  
**THERE IS GENERAL DESIRE** for reduction in the huge public debt, as rapidly as an expanding and prosperous economy will permit. Debt repayment by the federal government is recognized as one way to combat the inflation trend in the marketplace.

★★★  
**CONSUMER INSTALMENT LOANS** held by leading types of lending institutions increased by 53 million dollars during January, bringing the total amount outstanding to an estimated 2,024 million by the end of the month. The total amount outstanding at the end of January was one and two-thirds times the year-ago figure. The volume of loans made during January was one-fifth below the preceding month's volume, dropping to an estimated 359 million dollars.

★★★  
**RECORDINGS OF TELEPHONE CONVERSATIONS** may be anathema to politicians but one large firm records all conversations with clients and customers, plays back the transcription, confirms contents and adds clarification of details by letter to client. As a result, misunderstandings as to specifications, orders, promises, etc., are reduced to a minimum.

★★★  
**INSTALMENT ACCOUNTS OUTSTANDING** at department stores at the end of January remained at the December level, although some decline is usual in this

month. Collections on instalment accounts increased slightly during the month, resulting in a collection ratio of 29 per cent in December. Instalment accounts were collected in about six months in January, a somewhat longer period than in the corresponding month a year ago.

★★★  
**CHARGE ACCOUNTS RECEIVABLE** at department stores declined by about the customary amount in January, and continued more than one-half above the year-ago level. Collections on charge accounts rose substantially, but the collection ratio decreased two points to 52 per cent. The average collection period for charge accounts was approximately 57 days as compared with about 49 days in January last year. The volume of cash and instalment sales at department stores showed about the usual sharp drop from December. Charge-account sales decreased more than seasonally but were 35 per cent larger than a year ago. Cash sales were at about the same level as a year earlier while instalment sales increased 68 per cent.

★★★  
**POST-WAR TENSIONS** are relaxing to such an extent that people are actually living longer. Public Health Service says that 5 per cent fewer persons died last year. Death rate was 10.1 in 1946 compared with 10.6 per 1,000 in 1945.

★★★  
**WITH EASTER** coming early this year many merchandisers believe that the volume of spring apparel sold will depend on the weather.

★★★  
**COMMERCE DEPARTMENT** estimates number of firms doing business today totals 3.65 million, about 250,000 more than operated during the war. Although opportunity for rapid expansion has apparently waned, the agency points out, there is undoubtedly opportunity for new growth in some lines.

★★★  
**WITH THE RETURN** of silk stockings and constantly new shades of nylon, several stores are planning "hosiery of the month" clubs. A fee will send one's lady a different, new pair, gift-boxed, each month. Sales will be promoted as Easter, birthday, Mother's Day and Christmas gifts.

★★★  
**TO BOOST MORALE** of U. S. Army wives and daughters stationed in Tokyo, the U. S. Army Exchange has bought 1,000 hats in New York to be sold in Tokyo's largest department store, which is operated by the Army. Many dressy, as well as brand name hats of classic tailored character were selected, with wholesale prices not exceeding \$20.00 per hat.

★★★  
**COMMERCE DEPARTMENT** is expanding its reporting service to business by beginning publication within two or three months of estimates of the total dollar-value of trade nationally for each kind of retail trade, and separate dollar-volume estimates for 70 cities.

★★★  
**OUT OF EACH DOLLAR** the American consumer got his hands on last year, 59 cents was spent in a retail store. Commerce Department figures put the total of individual income payments in 1946 at \$165 billion and total retail store sales at \$97 billion. The average family bought \$2,183 worth of goods at retail, or about \$693 per person.

★★★  
**SOME ECONOMISTS** who watch industry closely are predicting price cuts in consumer durables and other heavy lines shortly after the first quarter ends. But only if work continues without interruption. Smooth flow of production lines in many plants is boosting worker output, lowering unit costs further than expected, they find.

*Reading this publication carefully and regularly will contribute to your success as a Credit Executive.*

# *Attend*

## The 33rd Annual Business Conference

**T**HE IMPORTANCE of retail credit and the problems confronting the credit granter justify your attendance at what should be the most important business conference of the National Retail Credit Association. It will be held in St. Louis, Missouri, June 16, 17, 18 and 19, 1947.

The programs for the general sessions on Tuesday, Wednesday and Thursday mornings will prove highly interesting, inspirational and informative. The group meetings, representing most lines of retail credit granting, will enable every delegate to exchange ideas and discuss the problems affecting his business.

There will be a Credit Clinic on Monday afternoon, which will be participated in by all delegates. A panel of ten or more outstanding executives will answer questions prepared in advance as a result of suggestions received from members, as well as questions submitted from the floor. Every phase of retail credit will be discussed, and the program will include the following subjects:

1. Adjustments
2. Collections
3. Consumer Credit Education
4. Credit Bureaus
5. Credit Control, Terms and Policies
6. Credit Department Operating Costs
7. Credit Sales Promotions

8. Credit Schools
9. Cycle Billing
10. Personnel Training and Relations
11. Procedures

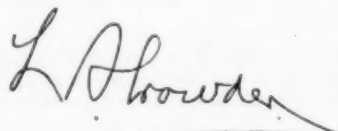
A cycle billing forum will be held on Thursday afternoon, which will enable those who are interested to discuss this most important subject, and to obtain the views of members who are operating under this form of billing.

Attendance at the 33rd Annual Business Conference should be a **MUST** on your program. It will afford you an excellent opportunity to discuss your problems with others in your line of business. You will be able to rub elbows and exchange ideas with the leaders in the field of retail credit in the United States and Canada.

Sixteen manufacturers will exhibit the latest in office appliances and equipment. This will give you firsthand information covering installations in some of the progressive stores of the country and a demonstration of appliances in which you are interested. A visit to the booths of these exhibitors will pay dividends.

Impress upon your management the importance of your attendance at the Conference, and forward your hotel reservation to the Housing Bureau, Associated Retail Credit Men of St. Louis, 511 Locust Street, St. Louis 1, Missouri.

**DO IT NOW!**



*General Manager-Treasurer*



